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(FORMED BY THE Rt Hon. DAVID CAMERON, MP, MAY 2015)

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27 June 2016
Oral Answers to Questions

DEFENCE

The Secretary of State was asked—
Allies and Partners: Co-operation

1. Stuart Blair Donaldson (West Aberdeenshire and Kincardine) (SNP): What plans his Department has to ensure future defence co-operation with allies and partners. [905473]

11. Callum McCaig (Aberdeen South) (SNP): What plans his Department has to ensure future defence co-operation with allies and partners. [905483]

The Secretary of State for Defence (Michael Fallon): I hope you will allow me, Mr Speaker, to add my tribute to Jo Cox and her work on behalf of the Syrian people, which she pressed very hard on and which must never be forgotten.

Our strategic defence review set out ambitious plans to strengthen our work with allies and partners to promote our security and prosperity. We will continue to lead in NATO, the G7 and the United Nations, and maintain strong and enduring relationships with the United States and our other friends and allies around the world.

Stuart Blair Donaldson: My constituency, my country and people of my generation voted against Brexit, yet we are going to be dragged out of the European Union against our will. This is the same European Union that plays an important security role in Afghanistan, in Ukraine and across swathes of Africa, as well as the vital role played by Frontex in the Mediterranean. What reassurance does the Secretary of State have for Scotland and for young people that this vital work will not be undermined by last Thursday’s vote?

Michael Fallon: The bedrock of our defence in the United Kingdom rests on NATO, and the United Kingdom of England, Scotland, Wales and Northern Ireland is committed to strengthening co-operation within NATO and collective defence across the alliance. We will be adding further reassurance to that at the NATO summit that is coming up in Warsaw the week after next.

Callum McCaig: What an utter shambles this is. I am afraid that that is not good enough from the Defence Secretary. We do not have a plan A for Brexit, let alone a plan B. The position of the Government and the Brexitters is confused. There is no plan on the table. Are we going to do a Norway? May I suggest to the Defence Secretary that we look at doing a Norway when it comes to defence, and we perhaps go for the opt-in that Norway has to EU defence schemes?

Michael Fallon: Norway remains and is a very valued member of the NATO alliance. We will be intensifying our co-operation with such countries. It is true that membership of the European Union complements our membership of NATO, and we are engaged in an EU operation in the central Mediterranean, continuing to save lives there and to disrupt the business model of the migrant smugglers from Libya to Europe. The Royal Navy will continue that task.
Mr James Gray (North Wiltshire) (Con): Does the Secretary of State agree that our relationship with members of the EU will remain as strong as it is today even when we are not a member? Given that nearly all members of the European Union are members of NATO, and that most members of NATO, leaving aside Turkey and the United States, are members of the EU, surely the fact that we are that cornerstone of NATO stands for our strong defence, and being a member of both involves some degree of duplication.

Michael Fallon: We have continued to argue against duplication between the European Union and NATO, but my hon. Friend is right. We have the very important bilateral relationships with other European countries—the Lancaster House treaty with France, and our growing co-operation with Germany—and I reassured both the French and German Defence Ministers last Friday that we will continue to work at those relationships and to strengthen them.

Kevin Foster (Torbay) (Con): In the light of the result last week, will the Secretary of State reassure me that the United Kingdom as a united kingdom remains as committed in both the conventional and nuclear sense to article 5 of the North Atlantic treaty, for our allies in the eastern parts of Europe?

Michael Fallon: Absolutely. That article is one of the central commitments of NATO. We have, as my hon. Friend knows, committed to the 2% NATO defence spending target and we will be offering further reassurance, particularly to members on the eastern flank of NATO, at the Warsaw summit on Friday week.

Mr Ben Bradshaw (Exeter) (Lab): Given the intensified bombing of Aleppo by President Putin over the weekend, and the important role that Britain played in stiffening European resolve on sanctions against the Putin regime, how concerned is the Secretary of State about the impact of the referendum result on European solidarity in standing up to Putin?

Michael Fallon: It is very important, not least because of the way in which Russia has intervened in the Syrian civil war, that Russia is held to account for its actions. We took the lead in not only proposing the sanctions imposed on Russia for its actions in the Crimea—in the Ukraine—but ensuring that they were continued. They are being continued for the moment, but, obviously, once we are outside the European Union, our influence over that will be slightly diminished.

Marcus Fysh (Yeovil) (Con): Does my right hon. Friend agree that the upcoming negotiation on leaving the EU presents a huge opportunity to redouble our efforts at co-operation with our EU friends and allies? What plans does he have to support UK defence industries and cross-border investments, such as those in helicopter manufacturing in Yeovil?

Michael Fallon: We will continue the co-operation that I have already set out—our co-operation with France under the Lancaster House treaty, and the growing co-operation we have with Germany and, indeed, with other European countries. Our recent strategic defence review is international by design and prioritises working more closely with our allies. European companies that are invested here see a rising defence budget, and we hope they will continue to invest here and to compete for the various tenders we are making available.

Liz Kendall (Leicester West) (Lab): Our military alliances rely on strong diplomatic ties, especially with our European neighbours. What steps is the Secretary of State taking to ensure our Brexit negotiations do not sour these relationships and weaken our alliances?

Michael Fallon: As I say, I have spoken to all my fellow Defence Ministers in these key relationships, and we will have to work hard to ensure that these bilateral relationships are kept in good repair. We have strong defence relationships and defence sections in these embassies across Europe, and we will have to look at them independently and make sure in the Brexit negotiations that none of that co-operation—the joint training, the exercising and the co-operation on capabilities—is put at risk.

Mike Wood (Dudley South) (Con): What representations has my right hon. Friend received from our allies and defence partners about renewing Trident, which the new shadow Defence Secretary described as “a monumental mistake our country and planet can ill afford”?

Michael Fallon: As my hon. Friend knows, we are committed in our manifesto to replacing the four Trident submarines, and I hope Parliament will be able to endorse the principle of that replacement shortly. Our allies can rest assured that our commitment to NATO and our commitment as a nuclear power to NATO are not altered by the result of the referendum.

Brendan O’Hara (Argyll and Bute) (SNP): The Secretary of State will be aware that, as the pound plummets against the dollar, the cost of procuring the maritime patrol aircraft and the F-35s we were promised will undoubtedly soar. There will be inevitable consequences for forward procurement, including on the already delayed Type 26 programme. The Government warned that, in the case of a Brexit, there would be swift and savage cuts to the defence budget. Where will that axe fall, and when is it likely to fall? What will the Secretary of State tell our allies at the Warsaw summit, every one of whom was convinced unambiguously that we should remain in the European Union?

Michael Fallon: It is a fact that all the other Defence Ministers around the world were anxious to see us remain in the European Union, but the British people have made their decision. So far as the equipment programme is concerned, we are now negotiating for the maritime patrol aircraft and for the first F-35s to fly off the carriers, and I hope the negotiations will be concluded reasonably soon.

Brendan O’Hara: Scotland faces the very real prospect of being taken out of the European Union against its will. May I remind the Secretary of State of the first page of the 2015 SDSR, which says:

“Economic security goes hand-in-hand with national security”?

The UK’s membership of the European Union was an integral part of our defence policy. It was strategically valuable in promoting the UK’s policies and implementing
our defence and security obligations. Given that the Brexiteers have won their referendum and the economy is now in freefall, what plans does the Secretary of State have to review the 2015 SDSR?

Michael Fallon: I am disappointed that the hon. Gentleman should be talking down the British economy, on which so many jobs in Scotland depend. I would caution his party against talking down an economy on which all our constituents depend. Our national security is of course the security of the United Kingdom, including that of Scotland.

Emily Thornberry (Islington South and Finsbury) (Lab): At what will be my last Defence questions before I take up my new post, may I start by thanking the Secretary of State, and his office, for all the co-operation that he has given in the six months that I have been in this role? Whether it has been, for example, in arranging trips to Army bases or providing briefings on the fight against Daesh, he has been a generous opponent and I regret that I will no longer be his shadow.

At this time, the only thoughts of anyone in this House should be on how we can reassure the British people that we can keep our country safe and secure in the wake of the Brexit vote. We all need to pull together and work together on that, not just within our own parties but across the House as a whole. Will the Secretary of State please reassure us that leaving the EU will not put an end to participation in joint security missions with our European partners? He has mentioned the mission in the Mediterranean, but may I also ask him particularly about the highly successful counter-piracy mission off the Horn of Africa?

Michael Fallon: I am grateful to the hon. Lady for her generous remarks, and I congratulate her on her move. I think the new shadow Defence Secretary is AWOL on his first parade, but we will welcome him and pay tribute to his service in uniform. He will, I note, be the fourth shadow Defence Secretary I have seen in under two years, but I hope he lasts.

Yes, it is very important that we reassure our allies in Europe and around the world that Britain is not turning its back on them. On the contrary, we are still playing a leading role in the world, and that includes work in some of the vital operations in the Mediterranean and off the Horn of Africa, some of which are led by NATO and others of which are led by the European Union.

Emily Thornberry: I thank the Secretary of State for his answer and his generous words. I shall pass on his comments to the new shadow Secretary of State for Defence when he takes up his post this afternoon; they are typical of the way in which he and his office have worked.

One particular concern that many people have is the implications of Brexit for our border controls. What will happen to our border control at Calais, what will happen to the common travel area with Ireland, and will the co-operation we currently receive from our European counterparts in respect of tackling illegal immigration be maintained? How will we go about resolving these issues? Will the armed forces play a role in that, and in what way can we keep our borders safe and secure?

Mr Speaker: My arithmetic may be faulty, but I counted six questions, to which I know the right hon. Gentleman will give a single pithy response, because we must make progress to other hon. Members who also have questions on the Order Paper—something it would have been good to remember earlier.

Michael Fallon: I will do my best. Mr Speaker, noting that the hon. Lady has postponed her defence review because she said it was “important that the Labour party sticks together and is united”. I leave it at that.

The Royal Navy will continue to play its part in assisting Border Force and other organisations—the European Union and NATO—in dealing with people smuggling and illegal migration, as the hon. Lady asks.

Type 26 Frigates

2. Margaret Ferrier (Rutherglen and Hamilton West) (SNP): What steps is he taking to mitigate the effect of the extended timetable for construction of Type 26 frigates on maintaining skills in the defence industry.

The Minister for Defence Procurement (Mr Philip Dunne): This Government are committed to sustaining shipbuilding skills on the Clyde. As we confirmed in the strategic defence and security review last November, we will build two additional offshore patrol vessels before build work starts on the Type 26. This will help sustain shipbuilding skills between the completion of major blocks of the Queen Elizabeth class carriers and commencement of the Type 26 build. That remains the case; the plan has not changed. Over the next decade we will spend about £8 billion on Royal Navy warships.

Margaret Ferrier: As my hon. Friend the Member for Argyll and Bute (Brendan O’Hara) pointed out, the pound is in freefall and every cent it falls against the dollar makes purchasing either the maritime patrol aircraft or the F-35 more expensive. The workers at the Clyde yards have already seen apprenticeship numbers cut by 80%, and the current crisis makes the situation worse. Can the Minister assure me and those on the shop floor in Govan and Scotstoun that the Type 26 programme will begin as soon as possible and not in 2019, as some have suggested?

Mr Speaker: Briefly, Minister.

Mr Dunne: We have already invested £1.6 billion in Type 26, including £472 million this March. I say to the hon. Lady as gently as I can that that commitment could not have been made if her friends had had their way and become independent, because shipbuilding would have ceased two months ago.

Dr Julian Lewis (New Forest East) (Con): The Minister will remember that previous shipbuilding projects, in particular the carriers and the Type 45 destroyers, ended
Craig Whittaker: Will my right hon. Friend confirm that Britain is playing the second biggest part in the coalition after the United States of America, and that our involvement is making a real difference to the fight against Daesh?

Michael Fallon: I am pleased to confirm that the United Kingdom is playing a significant role in the coalition. The RAF has undertaken more strikes in Iraq and, since December, in Syria than any coalition nation apart from the United States. We now have more than 1,100 service personnel supporting operations in the region, and that is making a real difference to the momentum of the campaign.

Louise Haigh: What assistance are the Government providing to the Jordanian authorities in the light of the recent deterioration in security there, and especially in the light of the recent suicide attack that killed six soldiers outside a refugee camp?

Michael Fallon: We have a very strong defence relationship with Jordan that includes work on training forces together. We will obviously continue to keep that under review, not least because of the pressure on the Jordanian-Syrian border.

Mr Philip Hollobone (Kettering) (Con): Last week it was reported that US fighter jets were scrambled to intercept Russian bombers attacking American-backed rebels in Syria. What steps is the Secretary of State taking to de-conflict competing allied air forces in the campaign against Daesh?

Michael Fallon: There is a memorandum of understanding between the United States and Russia about the conduct of air operations. We do not co-operate with Russia, but there is a mechanism by which we can avoid that kind of conflict. The easiest way to avoid it would be for Russia to stop assisting the regime and to stop bombing innocent civilians.

Joan Ryan (Enfield North) (Lab): Opposition activists and Kurdish officials have said that hundreds of Kurds are fleeing Manbij, and that the Syrian defence forces are engaged in clashes there with Daesh. If Manbij is captured, it will be the biggest strategic defeat for Daesh in Syria. Can the Secretary of State comment on the situation, and particularly that of the Kurdish civilians, who are being abducted in their hundreds?

Michael Fallon: They are, and that is why we need to bring this terrible conflict in Syria to an end. Progress is being made by the Syrian Democratic Forces in closing off what is called the Manbij pocket and breaking the supply line between Raqqa and the Turkish border, which restricts the ability of Daesh to trade oil illegally across the border or to recruit foreign fighters the other way. Progress is being made around Manbij, and I hope that one day, when Manbij is recaptured, those same forces can move on towards Raqqa itself.

Andrew Bridgen (North West Leicestershire) (Con): To carry out its activities, Daesh requires funding. What discussions is my right hon. Friend having with our allies to cut off the funding for Daesh?
International efforts are under way to restrict the ability of Daesh to raise money from selling oil, artefacts or anything else, or to access other funding on the international markets. That is work that requires co-operation right across the coalition, and it is work in which the United Kingdom is playing a leading part.

Mr George Howarth (Knowsley) (Lab): While we have been otherwise preoccupied, the atrocities that have been carried out by Daesh over the last few weeks remain deeply worrying. Will the Secretary of State give an undertaking that he will co-operate through NATO bilaterally with other European allies and take strategic action unilaterally to make sure that everything possible is done to try to stop these appalling atrocities?

Michael Fallon: Yes, we are facing a most barbarous enemy, which is not simply torturing and killing innocent civilians in Syria and Iraq, but still poses a very direct threat to us here in western Europe—on the first anniversary of the slaughter of 30 of our subjects in Sousse by an equivalent extremist. Whether it is through the international coalition, through the use of NATO assets or through other bilateral frameworks, let me reassure the right hon. Gentleman that we are absolutely committed to this fight and to the eventual defeat and degradation of Daesh.

At-sea Nuclear Deterrent

4. Caroline Ansell (Eastbourne) (Con): What assessment has made of the viability of alternatives to a continuous at-sea nuclear deterrent for protecting national security.

Michael Fallon: [Interruption.]

Caroline Ansell: Some have expressed concern that with advancing technology, our submarines can now be detected and discovered by underwater drones. Can my right hon. Friend assure me that that is not the case?

Michael Fallon: Yes, we are confident that our submarine fleet remains safe and secure. We devote considerable resources to assessing capabilities and new technologies that could threaten the operation of our deterrent, including potential threats from the development of cyber and unmanned underwater vehicles. I am happy to reassure my hon. Friend on precisely that point.

John Woodcock (Barrow and Furness) (Lab/Co-op): Whoever stands at the Opposition Dispatch Box or at the Government’s, there is a cast iron majority in the House to do the right thing by Trident’s successor and to reach outwards to defend our nation, rather than to turn inwards. Will the vote still happen before the summer recess?

Michael Fallon: I am grateful to the hon. Gentleman for what he has said. There is clearly a majority—[Interruption.]

There are those who are opposed in the United Kingdom in their determination to see the renewal of the deterrent, and I very much hope that he will not have too much longer to wait.

Douglas Chapman (Dunfermline and West Fife) (SNP): With the Type 26 frigates well behind schedule, it has been said that the Navy has “run out of money” to progress these contracts. Given the perilous state of the economy since Friday morning, will the Secretary of State give us an assurance that we will—please, please—run out of money for Trident as well?

Michael Fallon: The schedule for the Type 26s has not yet been set. These ships are likely to cost between £500 million and £1 billion each, and I will not sign a contract for these ships until I am satisfied that they represent good value for the Royal Navy and good value for the taxpayer.

Armed Forces Welfare

5. Kirsten Oswald (East Renfrewshire) (SNP): What steps he is taking to promote the welfare of armed forces personnel.

The Parliamentary Under-Secretary of State for Defence (Mr Julian Brazier): In January, the Department published the first ever armed forces families strategy, embracing seven key themes—partner employment, accommodation, children’s education and childcare, community support, specialist support, health and wellbeing, and transition. We have reviewed our casualty and compassionate processes, and this autumn we are introducing a pilot for a new welfare scheme for reservists. We continue to work to ensure that our armed forces and their families are treated fairly through the covenant.

Kirsten Oswald: Economic and military security assurances, as laid out in the strategic defence and security review, have been significantly weakened by the events of the last week, and this could not have come at a worse time for armed forces personnel. To give just two examples—

Mr Speaker: Order. I am awfully sorry, but we have not got time for two examples. I need a single, short supplementary question, with a question mark at the end.

Mr Brazier: The short answer is yes. The huge number of local authorities, companies and other parts of the nation that have signed up to the armed forces covenant shows that the country as a whole is responding with a resounding yes.

17. [905489] Christina Rees (Neath) (Lab): I have been working with Neath veterans support group to ensure that those leaving the armed forces receive the support they need. Will the Minister explain what his Government are doing to extend the support offered, through projects
such as Change Step, so that the welfare of serving personnel is viewed through a model of prevention, rather than of cure?

Mr Brazier: I am grateful to a whole range of charities in Neath and other areas for the work they are doing with the armed forces. We are giving considerable priority to this and to ensuring that people’s transition, which is one of the seven aspects of the strategy I have mentioned, is successful. From the stories one hears of companies that have signed covenants successfully taking on people for new careers after they leave the armed forces and of the work we are doing with local authorities on housing, I can say that all this work is bearing fruit.

Defence Spending

6. Lucy Frazer (South East Cambridgeshire) (Con): What estimate he has made of the projected increase in defence spending during this Parliament.

Mr Dunne: I will answer pithily. This Government are delivering stronger defence. The defence budget will rise by 0.5% above inflation every year to 2020–21, and we will access up to £1.5 billion a year from the joint security fund by the end of this Parliament. This is the first time in six years that the defence budget will increase in real terms.

Lucy Frazer: Given the vote last week, does the Minister agree that Britain should remain a key player on the international stage? Will Britain continue to use its influence to encourage our NATO allies to spend 2% of their GDP on defence?

Mr Dunne: As my right hon. Friend the Secretary of State said earlier, NATO is the cornerstone of our defence, and we are leading players in influencing fellow NATO members to meet the spending commitment. Allies have made welcome progress since 2014; five now spend 2% of GDP on defence, eight spend 20% of their defence budgets on major equipment and research, 16 have increased defence spending in real terms and 24 are now spending more of their defence budgets on equipment.

Daniel Kawczynski: With the increasing budget comes increasing responsibility for ensuring value for money for taxpayers. Has my hon. Friend learned the lessons of failed procurement under Labour of maritime patrol aircraft, which had to be cancelled because the programme was 10 years behind and £800 million over budget?

Mr Dunne: My hon. Friend and constituency neighbour is right that the Nimrod programme suffered repeated and unacceptable delays and cost overruns. The decision in 2010 to cancel it was difficult but the planned purchase of nine P-8 Poseidon aircraft for maritime patrol will give us the capability we need in the timeframe we want, and at best value for the taxpayer.

Caroline Flint (Don Valley) (Lab): Part of making sure defence spending is adequate is making sure that we get value for money. The Public Accounts Committee was very disturbed when we looked recently at housing management for service families, which seems to be woeful. The contractor, Carillion, has not stepped up to the job. Will the Minister tell me how he will ensure that we get value for money and, more importantly, a better service for our service families?

Mr Dunne: I am pleased to confirm to the right hon. Lady that in the area of defence equipment procurement, for which I am responsible, the Public Accounts Committee has found that we have consistently brought programmes in within budget and with minimal time overruns. I accept we have more to do on housing.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Where the defence budget is spent is absolutely crucial. Given the gross uncertainty for the British steel industry as a result of the EU referendum vote, what assurances on defence spending can the Minister give to steel manufacturers in this country to boost them at this crucial time?

Mr Dunne: We have adopted the Government’s policy to ensure that defence contractors make all steel procurement opportunities available to UK producers. The amount of steel expected to be available for tender for future work is much reduced, because the most substantial amounts have been in the aircraft carrier programme and we will not be building vessels as big as that for the foreseeable future.

Sir Gerald Howarth (Aldershot) (Con): I warmly welcome the Government’s commitment to spend at least 2% of GDP on defence, but will my hon. Friend confirm that this year and next there will be no increase in cash terms, and assure me that we will not find ourselves in the same situation as we did this year, where in order to meet our 2% commitment money was transferred to the Ministry of Defence from other Departments?

Mr Dunne: As was made clear in last year’s comprehensive spending review at the same time as the strategic defence and security review, and as I have already said this afternoon, the defence budget is going up in real terms in each year of this Parliament.

Emily Thornberry (Islington South and Finsbury) (Lab): There has been much loose talk about the increase in the defence budget, but to be able to hit the target of 2% of GDP we now have to be very careful, as there may well be a recession given the Brexit vote. Will the Minister reassure the House, the public and the armed forces that the Government’s commitment on defence spending will be maintained not just in terms of GDP but in cash terms?

Mr Dunne: I am not going to join those in the Opposition who seek to talk the economy down. We have a clear commitment to meet the NATO defence spending pledge and that is what we will do.
Naval Procurement

8. Chris Stephens (Glasgow South West) (SNP): What progress has been made on his Department’s naval procurement plans. [905480]

The Minister for Defence Procurement (Mr Philip Dunne): The Department continues to develop our naval force structure, as we set out in the defence review. That will include completion of two new Queen Elizabeth class aircraft carriers, eight Type 26 global combat ships, new solid support ships and two new offshore patrol vessels.

Chris Stephens: Can the Minister confirm press reports today that leaked correspondence shows that the Ministry of Defence is looking for savings of £500 million in the Type 26 programme, and has refused an offer from BAE Systems that would bring savings of £270 million while starting the programme on time?

Mr Dunne: As I said in answer to other questions on the Type 26 programme, we will enter into a contract once we have established best value for the taxpayer, and a delivery schedule that can be met by the contractor.

Mr Kevan Jones (North Durham) (Lab): After last week’s vote, these are uncertain times for UK manufacturing. One thing that the Government could do now to boost manufacturing and protect British jobs and skills would be to make a decision on Successor and bring it forward. Will the Minister say when that vote will be?

Mr Dunne: The hon. Gentleman will have heard the Secretary of State confirm that that will not take too long.

NATO Warsaw Summit

9. Martin Docherty-Hughes (West Dunbartonshire) (SNP): What discussions he has had with his Cabinet colleagues on preparations for the NATO Warsaw summit. [905481]

The Secretary of State for Defence (Michael Fallon): The National Security Council has considered the UK’s preparations for the Warsaw summit next week, which is an opportunity to build on the success of the summit that we hosted in Wales in 2014. Our intention at Warsaw is to demonstrate a united alliance that is adaptable, transparent, and capable of planning for and responding to the full range of threats that we face today.

Martin Docherty-Hughes: Today the United Kingdom is seen as an ineffective, unreliable partner in global affairs, as highlighted not by Opposition Members, but by a former general and supreme commander of NATO, Admiral Stavridis. Reflecting on the admiral’s words, what does the Secretary of State think that his Government can achieve in Warsaw?

Michael Fallon: I hope that we can further reassure NATO members on the eastern flank that we stand by our commitment in the face of Russian aggression. I hope that we continue to make the alliance more flexible to deal with the new threats we face, particularly from cyber and hybrid warfare, and that through British leadership we will encourage other allies to meet the 2% commitment that we are already meeting this year.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I hope the Secretary of State is aware that we cannot hide behind the fig leaf of a percentage of GDP, and that we need NATO membership and partnership more than ever before, given last Thursday’s dreadful result in the referendum. We have only 100,000 people in our defence forces—we could get them all in Wembley. Let us have a stronger NATO and a greater partnership against Russia with Europe.

Michael Fallon: We have more than 100,000 members in our armed forces, but I agree with the hon. Gentleman about the importance of NATO. Because we are withdrawing from the European Union, it will be all the more important to reinforce our commitment to NATO and the obligations of NATO membership. That is why we lead in complying with the 2% commitment, and he will hear from the Warsaw summit about additional deployments that we are now likely to make to the eastern flank.

Libya

10. Stephen Gethins (North East Fife) (SNP): What recent assessment his Department has made of the security situation in Libya. [905482]

The Secretary of State for Defence (Michael Fallon): Forces aligned to the Libyan Government of National Accord are making progress against Daesh, but while Daesh may have suffered setbacks in its stronghold in Sirte and in the east, it has not yet been defeated and may look to re-establish itself elsewhere in Libya. In Tripoli, the security situation is relatively calm but fragile, with increasing support for the Presidency Council from militias.

Stephen Gethins: Before last Friday morning, Libya was seen as this Government’s worst foreign policy disaster. In light of that, will the Secretary of State say what discussions he has had with EU counterparts about continued involvement in Operation Sophia off the coast of Libya?

Michael Fallon: I continue to discuss Operation Sophia with my European counterparts, and we have agreed to deploy an additional vessel, a Royal Navy ship, as part of that. We are working with the new Libyan Government—I recently spoke to the Defence Minister there—to support them in their fight against Daesh. It is vital that we continue to work with other allies along the coastline, and we are extending the counter-IED training that we provide to Tunisian forces for a further year.

Defence Spending: Small Firms

13. Chris Heaton-Harris (Daventry) (Con): What steps he is taking to increase the proportion of defence spending that goes to small firms. [905485]

The Minister for Defence Procurement (Mr Philip Dunne): Small businesses are a crucial engine for growth and innovation in this country, and we are determined
that they should play an increasing part in supplying
defence. We are committed to achieving 25% of our
procurement spend with small and medium-sized enterprises
by 2020, and that target is 10% higher than the one set
during the last Parliament. We recently refreshed our
SME policy to show how we will work to achieve that.

Chris Heaton-Harris: What steps is my hon. Friend
taking to make it as simple as possible for small firms to
benefit from this increased spend?

Mr Dunne: We have already appointed a new network
of supply chain advocates to provide a named point of
contact for potential suppliers. We are providing a new
online tool for suppliers to highlight opportunities, and
we are simplifying our standard terms and conditions.

Mr Speaker: I call Ian Murray.

Hon. Members: Hear, hear.

Ian Murray (Edinburgh South) (Lab): I should maybe
come to questions more often.

A former First Sea Lord told the Defence Committee
that the delay in the Type 26 frigate programme was due
to money problems in the Ministry of Defence budget.
Will the Minister tell the House, and more importantly
tell the workers on the Clyde, how many jobs will be lost
and what the impact will be on its world-class apprenticeship
programme?

Mr Dunne: Apprentices are very important to maintain
the skills on the Clyde to complete the Type 26 programme.
The intention is that once we have signed the contract
we will have clarity on the best value for money for the
taxpayer. That is our priority.

Drones

15. Andy Slaughter (Hammersmith) (Lab): Whether
the Government plan to publish a policy on the use of
drones for targeted killing.

The Minister for the Armed Forces (Penny Mordaunt):
With regard to targeting or other rules of engagement,
the use of remotely piloted air systems is no different to
that of any other aircraft. Therefore, there is no separate
policy for their use in this respect.

Andy Slaughter: With respect, it is evident that the
Government intend to use lethal force outside armed
conflict for counter-terrorism purposes, despite the legal
basis for that being unclear. Will the Government clarify
the legal basis on the use of drones for targeted killing
outside of armed conflict?

Penny Mordaunt: We have been very clear that this is
guided by international law. Where there is an identified,
direct and immediate threat to the United Kingdom,
and where we have no other means of dealing with it,
we reserve the right to use force.

Mr Speaker: The hon. Member for Sittingbourne and
Sheppey (Gordon Henderson) has a question on the
Order Paper on this very same subject. Does he wish to
intervene and give the House the benefit of his thoughts?

Gordon Henderson (Sittingbourne and Sheppey) (Con):
No.

Mr Speaker: Very helpful!

Topical Questions

T1. [905498] Ronnie Cowan (Inverclyde) (SNP): If he
will make a statement on his departmental responsibilities.

The Secretary of State for Defence (Michael Fallon):
My immediate priorities remain success in our operations
against Daesh, and implementing our strategic defence
and security review commitments. On Friday week, I
will join the Prime Minister for the NATO summit in
Warsaw, where we will review progress since the Wales
summit, agree further reassurance to our eastern allies,
and take further steps to demonstrate the alliance’s
strength and unity.

Ronnie Cowan: Given the unfortunate success of the
Brexit campaign and the subsequent downward spiral
of the value of the pound, which now sits at a 31-year
low, will the Minister tell me the additional cost of the
Trident renewal programme on top of the current estimate
of £205 billion?

Michael Fallon: In the strategic defence and security
review, we published our most up-to-date assessment of
the cost of the Trident replacement programme at
£31 billion, plus a contingency of a further £10 billion.

T3. [905500] Craig Whittaker (Calder Valley) (Con): In
the light of the momentous decision taken by the nation
last Thursday, will the Minister explain to the House
what implications that decision will have on working
with military intelligence from not only European countries
but other countries around the world?

The Minister for the Armed Forces (Penny Mordaunt):
Defence in the UK is grounded on the strength of our
relationships with our closest allies and partners. We
work extensively with them, principally through NATO
but also bilaterally. The UK’s decision to leave the
European Union does not change that approach.

Rachael Maskell (York Central) (Lab/Co-op): In the
first year of this Government, over 1,800 properties
within the married quarters estate were left empty for
the majority of the year. Since then, the number has
more than quadrupled. Can the Minister explain why
that has been allowed to happen and why the properties
are not being used?

The Parliamentary Under-Secretary of State for Defence
(Mark Lancaster): My understanding is that there are
just over 10,000 void properties at the moment under
the service family accommodation estate. We need to
have void properties to ensure that when people trickle
post they have a property to go to. Equally, the hon.
Lady will be aware that we are moving the Army back
from Germany at the moment so we need spare properties,
but up to half of those properties are currently up for
disposal.
Rachael Maskell: The fact is that departmental policy is for about 10% of such properties to remain vacant. In fact, there are more than 20%. The reality is that there is such a high proportion of empty properties because they are not in a fit state for people to live in. They cannot be released for sale by the leaseholder, Annington Homes, because it would cost too much for the Government to repair. The taxpayer is having to spend more than £30 million every year for the MOD to rent these properties. Will the Minister explain why his Department is wasting £30 million?

Mark Lancaster: I am not sure whether the hon. Lady heard my answer. It is not every year that we seek to bring back the Army from Germany, which is why we need extra properties. However, more than half the properties are currently up for disposal and we have also invested more than £200 million in building 1,200 new service family accommodation units to ensure that we get the best quality accommodation for our troops.

Mark Lancaster: I am more than happy to do so. The official report on infantry operations and disaster relief.

The Parliamentary Under-Secretary of State for Defence Sector Reform and Enhance their Capabilities for Peace Operations and Disaster Relief (Mr Philip Dunne): I can confirm that the new MOD Donnington facility will be completed on schedule before the end of the year.

Mark Lancaster: I am more than happy to do so. The forces’ Help to Buy scheme was introduced, more than 7,260 service families have taken up the opportunity to buy their own home.

Mr Philip Dunne: I am not sure whether the hon. Member for Dudley North (Ian Austin) is aware of the work that the MOD is doing in the area of Western Sahara.

The Parliamentary Under-Secretary of State for Defence Sector Reform and Enhance their Capabilities for Peace Operations and Disaster Relief (Mr Philip Dunne): The P-8 contract has not yet been let. We have done a huge amount to support Kurdish fighters. To date, we have trained 3,900 and that includes not just dealing with improvised explosive devices, but providing first aid and that first-line medical support.

Mark Lancaster: I shall of course be delighted to look at the case and may I suggest that we meet?

The Parliamentary Under-Secretary of State for Defence Sector Reform and Enhance their Capabilities for Peace Operations and Disaster Relief (Mr Philip Dunne): The P-8 contract has not yet been let. We announced at the time our intention to procure P-8, and some $4.5 million per aircraft is UK-sourced. The support contracts will be let in due course.

Jack Lopresti (Filton and Bradley Stoke) (Con): Will my hon. Friend assure us that, despite Airbus trying to bully its employees to vote remain in the referendum last week, the wings of the magnificent A400 aircraft will still be made in Filton?
Mr Dunne: Airbus is an important defence contractor and a significant employer in my hon. Friend’s constituency for both civil and defence work. Where it chooses to locate wings in the civil contracts in the future will be a matter for Airbus.

Alison McGovern (Wirral South) (Lab): Depressingly, UNICEF reported that 25 children were killed by airstrikes in Syria yesterday. Will the Secretary of State tell us what conversations he is having with our international partners to make sure that we take every necessary step to defend civilians?

Penny Mordaunt: The hon. Lady raises an important point. On that operation to date, we know that UK strikes have produced no reports of civilian casualties. That is because of the care we take and the investigations we carry out after every strike. We are working with our allies to develop joint policy in this area.

Dr Tania Mathias (Twickenham) (Con) rose—

Hon. Members: Hear, hear.

Mr Speaker: The hon. Lady will be delighted to receive such an exultant welcome!

Dr Mathias: Thank you, Mr Speaker.

The Royal Military School of Music has been in Whitton for 150 years. Will the Minister work with me to ensure that the Ministry of Defence keeps a physical military presence “remaining” in Whitton?

Mark Lancaster: I commend my hon. Friend, whose constituents could not ask for a greater champion on this issue. Since last month’s Adjournment debate, the situation has not changed. However, I am convinced that we will continue to have military concerts there in the future.

Ann Clwyd (Cynon Valley) (Lab): Exactly what actions are the Government taking to protest about the use of phosphorous bombs and barrel bombs against the people of Aleppo?

Mr Dunne: We have a very clear policy in this country on the export of cluster munitions and the like. We have not sold cluster munitions since 1989. The right hon. Lady asks about phosphorous, and I will write to her about it later.

James Heappey (Wells) (Con): I was grateful for the Minister’s earlier answer on the cadet expansion programme. Will he tell us at what point, if at all, expressions of interest from schools in non-priority areas will be accepted if insufficient applications are made from priority areas?

Mr Brazier: My hon. Friend reflects on the problems of success. We have many applications from priority areas, according to the three criteria that were set out a number of times. I cannot make any firm promises, I am afraid, for those who do not meet the priority criteria. We are firmly on track to deliver the schools we need.

Michael Dugher (Barnsley East) (Lab): Last Friday, I was privileged to be invited to Burma company 4th Battalion The Yorkshire Regiment, based in Barnsley, to thank them for the service ahead of armed forces day. Will the Secretary of State join me in paying tribute to the superb men and women there, who are superbly led by Major Darren Schofield?

Michael Fallon: Let me congratulate all those from the armed forces, including those from reserve units, who participated in the key events in Cleethorpes, Plymouth, Glasgow, Woolwich and many other locations up and down the country. We are proud of them, and we gave the public the opportunity to show their support.

Andrew Bridgen (North West Leicestershire) (Con): Will the Secretary of State reassure us that, by contrast with the Labour party, morale in our armed forces remains high and the desertion rate is very low?

Penny Mordaunt: I am happy to confirm, on the basis of the attitude surveys that we conduct each year, that morale is high, and the armed forces appreciate that, given a defence budget that is growing every single year, they have much to look forward to.

Mr Speaker: Last, I call Greg Mulholland.

Greg Mulholland (Leeds North West) (LD): I thank the veterans Minister for taking account of the plight of war widows who have been penalised for remarrying. Can he give us some idea of how long his review of the matter will take?

Mark Lancaster: I hope to be able to get back to the House and the hon. Gentleman as soon as possible.
NEW MEMBER

The following Member took and subscribed the Oath required by law:

Rosena Chantelle Allin-Khan, for Tooting.

Outcome of the EU Referendum

3.31 pm

The Prime Minister (Mr David Cameron): With permission, Mr Speaker, I will make a statement on the result of the EU referendum.

Last week saw one of the biggest democratic exercises in our history, with more than 33 million people from England, Scotland, Wales, Northern Ireland and Gibraltar all having their say. We should be proud of our parliamentary democracy, but it is right that, when we consider questions of this magnitude, we do not just leave it to politicians but listen directly to the people. That is why Members on both sides of the House voted for a referendum by a margin of six to one.

As I have mentioned the House, let me welcome the new hon. Member for Tooting (Rosena Allin-Khan). I advise her to keep her mobile phone turned on: she might be in the shadow Cabinet by the end of the day. [Laughter.] And I thought I was having a bad day.

Let me set out for the House what this vote means, the steps we are taking immediately to stabilise the UK economy, the preparatory work for the negotiation to leave the EU, our plans for fully engaging the devolved Administrations, and the next steps at tomorrow’s European Council.

The British people have voted to leave the European Union. It was not the result that I wanted, or the outcome that I believe is best for the country I love, but there can be no doubt about the result. Of course, I do not take back what I said about the risks. It is going to be difficult. We have already seen that there are going to be adjustments within our economy, complex constitutional issues, and a challenging new negotiation to undertake with Europe. However, I am clear—and the Cabinet agreed this morning—that the decision must be accepted, and the process of implementing the decision in the best possible way must now begin.

At the same time, we have a fundamental responsibility to bring our country together. In the past few days, we have seen despicable graffiti daubed on a Polish community centre, and verbal abuse hurled against individuals because they are members of ethnic minorities. Let us remember that these people have come here and made a wonderful contribution to our country. We will not stand for hate crime or attacks of this kind. They must be stamped out.

We can reassure European citizens living here, and Brits living in European countries, that there will be no immediate changes in their circumstances; nor will there be any initial change in the way our people can travel, the way our goods can move, or the way our services can be sold. The deal we negotiated at the European Council in February will now be discarded and a new negotiation to leave the EU will begin under a new Prime Minister.

Turning to our economy, it is clear that markets are volatile and that some companies are considering their investments; we know that this is going to be far from plain sailing. However, we should take confidence from the fact that Britain is ready to confront what the future holds for us from a position of strength. As a result of our long-term plan, we have today one of the strongest major advanced economies in the world, and we are
well placed to face the challenges ahead. We have low, stable inflation. The employment rate remains the highest it has ever been. The budget deficit is down from 11% of national income and forecast to be below 3% this year. The financial system is also substantially more resilient than it was six years ago, with capital requirements for the largest banks now 10 times higher than before the banking crisis.

The markets may not have been expecting the referendum result but, as the Chancellor set out this morning, the Treasury, the Bank of England and our other financial authorities have spent the last few months putting in place robust contingency plans. As the Governor of the Bank of England said on Friday, the Bank’s stress tests have shown that UK institutions have enough capital and liquidity reserves to withstand a scenario more severe than the one the country currently faces; and the Bank can make available £250 billion of additional funds if it needs to support banks and markets. In the coming days, the Treasury, the Bank of England and the Financial Conduct Authority will continue to be in very close contact. They have contingency plans in place to maintain financial stability and they will not hesitate to take further measures if required.

Turning to preparations for negotiating our exit from the EU, the Cabinet met this morning and agreed the creation of a new EU unit in Whitehall. This will bring together officials and policy expertise from across the Cabinet Office, the Treasury, the Foreign Office and the Business Department. Clearly this will be the most complex and important task that the British civil service has undertaken in decades, so the new unit will sit at the heart of government and be led and staffed by the best and brightest from across our civil service. It will report to the whole Cabinet on delivering the outcome of the referendum, advising on transitional issues and objectively exploring options for our future relationship with Europe and the rest of the world from outside the EU. It will also be responsible for ensuring that the new Prime Minister has the best possible advice from the moment of their arrival.

I know that colleagues on all sides of the House will want to contribute to how we prepare and execute the new negotiation to leave the EU, and the Chancellor of the Duchy of Lancaster, my right hon. Friend the Member for West Dorset (Mr Letwin), will listen to all views and representations and make sure that they are fully put into this exercise. He will be playing no part in the leadership election.

Turning to the devolved Administrations, we must ensure that the interests of all parts of our United Kingdom are protected and advanced, so as we prepare for a new negotiation with the European Union we will fully involve the Scottish, Welsh and Northern Ireland Governments. We will also consult Gibraltar, the Crown dependencies and overseas territories, and all regional centres of power including the London Assembly. I have spoken to the First Ministers of Scotland and Wales, as well as the First and Deputy First Ministers in Northern Ireland and the Taoiseach, and our officials will be working intensively together over the coming weeks to bring our devolved Administrations into the process for determining the decisions that need to be taken. While all the key decisions will have to wait for the arrival of the new Prime Minister, there is a lot of work that can be started now. For instance, the British and Irish Governments begin meeting this week to work through the challenges relating to the common border area.

Tomorrow I will attend the European Council. In the last few days I have spoken to Chancellor Merkel, President Hollande and a number of other European leaders. We have discussed the need to prepare for the negotiations and in particular the fact that the British Government will not be triggering article 50 at this stage. Before we do that, we need to determine the kind of relationship we want with the EU, and that is rightly something for the next Prime Minister and their Cabinet to decide. I have also made this point to the Presidents of the European Council and the European Commission, and I will make it clear again at the European Council tomorrow. This is our sovereign decision and it will be for Britain, and Britain alone, to take.

Tomorrow will also provide an opportunity to make the point that although Britain is leaving the European Union, we must not turn our back on Europe or on the rest of the world. The nature of the relationship we secure with the EU will be determined by the next Government, but I think everyone is agreed that we will want the strongest possible economic links with our European neighbours, as well as with our close friends in North America and the Commonwealth and with important partners such as India and China. I am also sure that whatever the precise nature of our future relationship, we will want to continue with a great deal of our extensive security co-operation and to do all we can to influence decisions that will affect the prosperity and safety of our people here at home.

This negotiation will require strong, determined, and committed leadership. As I have said, I think the country requires a new Prime Minister and Cabinet to take it in this direction. This is not a decision I have taken lightly, but I am absolutely convinced that it is in the national interest. Although leaving the EU was not the path I recommended, I am the first to praise our incredible strengths as a country. As we proceed with implementing this decision and facing the challenges that it will undoubtedly bring, I believe we should hold fast to a vision of Britain that wants to be respected abroad, tolerant at home, engaged in the world and working with our international partners to advance the prosperity and security of our nation for generations to come. I have fought for these things every day of my political life and I will always do so. I commend this statement to the House.

3.40 pm

Jeremy Corbyn (Islington North) (Lab): First, I thank the British people for turning out to vote in the referendum in such high numbers. The vote was a reflection of the significance of the issue, but it was a close vote on the back of a campaign that was too often divisive and negative. The Opposition Benches put forward a positive case to remain part of the European Union and convinced more than two thirds of our own supporters, but the majority of people voted to leave and we have listened and accepted what they have said. Many people feel disfranchised and powerless, especially in parts of the country that have been left behind for far too long—communities that have been let down not by the European
Union but by Tory Governments. Those communities do not trust politicians to deliver, because for too long they have not. Instead of more extreme cuts to local services, which have hit those areas the hardest, the Government need to invest in those communities. Many such areas are deeply concerned about the security of pledged EU funding. That money is desperately needed, so can the Prime Minister give us any guarantees on those issues?

Secondly, there is the issue of trust. The tenor of the referendum was disheartening. Half-truths and untruths were told, many of which key leave figures spent the weekend distancing themselves from—not least the claim that a vote to leave would hand the NHS an extra £350 million a week. It is quite shameful that politicians made claims they knew to be false and promises they knew could not be delivered.

Thirdly, real concern exists about immigration, but too much of the discussion during the referendum campaign was intemperate and divisive. In the days following the result, it appears that we have seen a rise in racist incidents, such as the attack on the Polish centre in Hammersmith, to which the Prime Minister quite rightly referred, and sadly many other such incidents all over this country. I hope that the Prime Minister and the Home Secretary will take all the action they can to halt the attacks and halt this disgraceful racist behaviour on the streets of this country.

As political leaders, we have a duty to calm our language and our tone, especially after the shocking events of 10 days ago. Our country is divided, and the country will thank neither the Government Benches in front of me nor the Opposition Benches behind for indulging in internal factional manoeuvring at this time. We have serious matters to discuss in this House and in the country—[Interruption.]

Mr Speaker: Order. I want to accommodate as many as possible of those colleagues who wish to question the Prime Minister. Matters are just slowed up if people make a lot of noise. I have plenty of time; I do not know whether other people have.

Jeremy Corbyn: Thank you, Mr Speaker. It does appear that neither wing of the Tory Government has an exit plan, which is why we are insisting that the Labour party be fully engaged in the negotiations that lie ahead. We need the freedom to shape our economy for the future and protect social and employment rights, while building new policies on trade, migration, environmental protection and investment.

I fully understand that the Prime Minister is standing down in three months’ time, but we cannot be in a state of paralysis until then. He is meeting the European Council tomorrow, and I hope he will say that negotiations will begin, so that we know what is going on, rather than being delayed until October. We, as a House, have a duty to act in the national interest and ensure we get the best agreements for our constituents. Will the Prime Minister today confirm that, in the light of the economic turmoil, the Chancellor will announce at least a suspension—preferably, the termination—of any new even more counterproductive fiscal rule? What the economy needs now is a clear plan for investment, particularly in those communities that have been so damaged by this Government and that have sent such a very strong message to all of us last week. Will he specifically rule out tax rises or further cuts to public services, which were threatened pre-referendum?

I welcome the Prime Minister’s reassurances on the uncertainty felt by many EU nationals currently working in our economy, including the 52,000 who work so well to help our national health service provide the service we all need. It is welcome that the Prime Minister is consulting the leaders of the devolved Administrations, and I hope he will also be consulting the Mayor of London, a city for which the implications are huge. We must act in the public interest and support measures to reduce volatility. I welcome market protections, but what about protections for people’s jobs, wages and pensions? Can the Prime Minister make clear what plans are in place? The Chancellor spoke this morning to reassure the stock markets, though they clearly remain very uncertain. We understand that some measures cannot be discussed in the House, so will the Prime Minister give me an assurance that the Chancellor will provide private briefings to his opposite numbers on this matter?

Finally, on a personal note, may I say that although I have many fundamental disagreements with the policies of the Prime Minister and his Governments, as he announces the end of his premiership it is right to reflect that he led a Government that delivered equal marriage, against the majority of his own MPs, and he was right to do so. I want to thank him, too, for his response to the Bloody Sunday inquiry and how he reacted to the tragic murder of Jo Cox. We thank him for his service, although I am sure we will enjoy many more debates and disagreements while he continues as Prime Minister.

The Prime Minister: Let me agree with the Leader of the Opposition that it was positive that turnout was so high. I also agree with him that we need to reach out to those people who have not benefited from economic growth and make sure that they feel that their economic security is important to us as well. But I do not agree with him that it is right to start to try to refight the campaign all over again. All I know for my part is that I put everything I could into the campaign that I believed in—head, heart and soul—and I left nothing out, and I think that was the right thing to do.

Let me answer the right hon. Gentleman’s questions. On money that different areas of the country get, until we leave the EU none of those arrangements change; so what has been set out in the Budget, and payments and the rest of it, all continue. But as the negotiation begins properly for leaving, the next Government will want to set out what arrangements they will put in place for farmers, for local authorities and for regions of our country.

On intolerance and fighting intolerance, I absolutely agree with the right hon. Gentleman that we must take all action we can to stamp this out. He asked about the Chancellor’s fiscal rule and future plans. What I would say is that we have not worked so hard to get the budget deficit from 11% down to below 3% just to see that go to waste, and we must continue to make sure that we have a sound and strong economic plan in our country. For the coming months that is my responsibility and the Chancellor’s responsibility, but in time it will be the
responsibility of a new Government, and they will have to decide how to react if there are economic difficulties along the way.

The right hon. Gentleman asked whether there could be private briefings for members of the shadow Front-Bench team with the Chancellor of the Exchequer. As always in these arrangements, if shadow Cabinet members want those sorts of briefings, they can have them.

Finally, I thank the right hon. Gentleman for his kind remarks and the fact that he hopes we will be debating with each other for some weeks and possibly months to come.

Mr Kenneth Clarke (Rushcliffe) (Con): When we acquire a new Government who have decided what they mean by leaving and draw up some detailed policy instructions for the committee of officials the Prime Minister has set up, a great deal of detailed legislation covering a whole variety of fields will be submitted to this Parliament. Does my right hon. Friend agree that we still have a parliamentary democracy and it would be the duty of each Member of Parliament to judge each measure in the light of what each man and woman regards as the national interest, and not to take broad guidance from a plebiscite which has produced a small majority on a broad question after a bad-tempered and ill-informed debate? [Interruption.] And does he agree that we will face months of uncertainty if we are not careful—[Interruption.]

Mr Speaker: Order. It is not acceptable for people to make that level of noise. The right hon. and learned Gentleman will be heard and every Member of this House will be heard. Let us accord the right hon. and learned Gentleman the respect to which he is entitled.

Mr Clarke: Thank you, Mr Speaker.

Does my right hon. Friend agree that, as there is a risk of uncertainty for a few months, causing very considerable difficulty, he should consider the possible first step of joining the European economic area, which was designed in the first place for countries like Norway and Iceland, where the great bulk of politicians wished to join the European Union but could not get past the ridiculous hurdle of a referendum in order to get there? That could at least be negotiated, with modifications and changes if anybody can decide what they want once we get to that point, and it would give some reassuring order and stability to our economy and might begin to attract a little investment and future prospects for our country.

The Prime Minister: I thank my right hon. and learned Friend for his remarks. My view is simple: this House should not block the will of the British people to leave the European Union, but of course we have now got to look at all the detailed arrangements, and Parliament will clearly have a role in that in making sure that we find the best way forward. That will be principally the job for the next Government, but I do believe in parliamentary sovereignty and the sovereignty of this Parliament. A lot of detail will have to be discussed and debated, but decisions such as whether or not to join the EEA must be for a future Government.

Angus Robertson (Moray) (SNP): Scotland voted overwhelmingly to remain in the European Union. Sixty-two per cent. of voters cast their votes to remain in the EU, and every single local government area in the country voted to remain in the EU. In Scotland we voted to remain because it really matters that we are in the single European market, because we value the free movement of people, goods and services, and because our EU citizenship rights matter, as do our legal safeguards for workers, for women and for parents. In Scotland we voted to remain because we are a European nation, and it really matters to us that we live in an outward-looking country, not a diminished little Britain.

In Scotland we are now being told from Westminster that despite the majority against leave, we are going to have to do as we are told: we are going to be taken out of Europe against our will. Mr Speaker, let me tell this House and our friends across Europe: we have no intention whatsoever of seeing Scotland taken out of Europe. That would be totally democratically unacceptable. We are a European country and we will stay a European country, and if that means we have to have an independence referendum to protect Scotland’s place, then so be it. Thank goodness that we have a Scottish Government and a First Minister who are prepared to lead and seek to protect Scotland’s place, and it is very welcome that this approach is being supported by Opposition political parties across the Scottish Parliament.

Meanwhile, “Project Fear” has turned to “Project Farce”. Apparently those who propose that we should leave Europe have no plan. A senior leave MP said: “There is no plan. The leave campaign don’t have a post-Brexit plan.” The MP went on to say: “No. 10 should have had a plan.”

Meanwhile, UK share prices are so volatile that some stocks have temporarily been suspended and sterling has hit a 31-year low.

On one thing I hope we are all agreed: that we take serious note of the very disturbing series of racist incidents directed against our fellow citizens who happen to come from other European countries. I hope that we all, on all sides, totally repudiate these despicable acts and encourage the police and prosecuting authorities to do all they can.

Given the economic damage and uncertainty that is currently being caused, may I ask the Prime Minister the following financial questions? We welcome the actions of the Governor of the Bank of England to help provide certainty in difficult times. Can the Prime Minister confirm that the Governor has no plans at present to change his forward guidance on interest rates? The SNP will continue to support any sensible measures to deliver stability and confidence in the UK economy at this time. However, we want to be explicitly clear that this will not be used to deepen further the programme of austerity.

In conclusion, the lack of leadership from Whitehall over the past few days has been unprecedented. We recognise that any further drift or vacuum simply exacerbates uncertainty. We know that the Prime Minister is planning to leave and we wish him well, but may we have an absolute assurance that his Government will finally start to take a firm grip of the situation in which we all, sadly, find ourselves?
The Prime Minister: First, our focus should be to get the very best deal for the United Kingdom outside the European Union, and that should be the very best deal for Scotland as well.

I entirely agree with the right hon. Gentleman about the despicable acts of racism that have taken place. Let me reassure him as well that we will take every step that we can. He asked questions specifically about interest rates; that is a matter for the Governor of the Bank of England and the Monetary Policy Committee, and they set out their views in advance of the referendum. The right hon. Gentleman asked about budgets; that will be set out their views in advance of the referendum. The England and the Monetary Policy Committee, and they rates; that is a matter for the Governor of the Bank of we can. He asked questions specifically about interest that I will report directly on the result his comment. Of course, when I go to the European Council tomorrow, I will report directly on the result by trying to build as much good will as possible on both sides.

Sir William Cash (Stone) (Con): May I pay tribute to the Prime Minister for the dignity with which he addressed the nation from 10 Downing Street on Friday? Will my right hon. Friend take a positive and simple message to the leaders of the other 27 member states of the European Council tomorrow—namely, that the voters of the United Kingdom have demonstrated the value of that great principle, the principle of democracy, for which people fought and died?

The Prime Minister: Let me thank my hon. Friend for his comment. Of course, when I go to the European Council tomorrow, I will report directly on the result and the decision of the British people. No one should be in any doubt about that, but it is important that we set off on this path of exiting from the European Union by trying to build as much good will as possible on both sides.

Tim Farron (Westmorland and Lonsdale) (LD): May I pay tribute to the Prime Minister, following the announcement of his resignation on Friday? We have not often agreed, but his commitment to the historic bipartisanship during the coalition Government and his energetic commitment to the remain campaign contrast favourably with the tribalism of others. He has my respect and my thanks.

I respect the outcome of the referendum, but I still feel passionately that Britain’s interests are best served at the heart of Europe, in the European Union. I can accept defeat, but I will not give up. I have not changed my beliefs. With the promises of the leave campaign unravelling and no leadership being shown by the Opposition, will the Prime Minister confirm that free movement of people and access to the single market are paramount to the economic stability of Britain, and will he launch an investigation as to the whereabouts of the hon. Member for Uxbridge and South Ruislip (Boris Johnson) and of the Lord Chancellor and Secretary of State for Justice?

The Prime Minister: It is not up to me to ensure attendance in the Chamber—I have many responsibilities, but that is not one of them. Let me thank the hon. Gentleman for what he said about my leadership, and let me say how much I enjoyed appearing on a platform with him at the final rally, outside Birmingham University, which brought together him, me and Gordon Brown in a unique but obviously unpersuasive trilogy, although I have to say that he and Gordon Brown gave fantastic speeches.

The hon. Gentleman is right that the decision that we are going to have to take—and it will be for the next Government—about how we get the best possible access to the single market is going to be one of the single most important decisions that the Government will take on, because we must bear in mind the importance of safeguarding our economy, its trade links and its jobs. I think that will be a very serious consideration.

Crispin Blunt (Reigate) (Con): Much of the distress expressed by those who voted remain on Thursday has been about the fact that they believe that their country has turned its back on their values. Does the Prime Minister agree that they can be reassured that the tolerance, openness and western liberal internationalism that we supported in the European Union will continue to be the hallmark of the United Kingdom as we seek a new role in the world?

The Prime Minister: I very much hope my hon. Friend is right. Britain is at its strongest when we stand up for our values and work with others. Let me stress that, while we are leaving the European Union, we will still be full members of NATO, the UN Security Council, the Commonwealth, the G7 and the G20. Britain does best when we make our voice heard through these organisations, and we should continue to do so.

Ms Harriet Harman (Camberwell and Peckham) (Lab): I never thought I would see the day when I wished a Tory Prime Minister would win a vote, but last Thursday I did, and I think the country will pay a bitter price for the fact that he lost this one. Leaving aside the constitutional turmoil, the damage to the economy and the uncertainty that hangs over Britain’s place in the world, the leaders of the Brexit campaign have engendered an atmosphere where some people believe it is open season for racism and xenophobia. Will the Prime Minister say very clearly that, when it comes to the difficulties of getting a job or problems with the NHS, housing or schools, those things are the responsibility of his Government to sort out and not the fault of migrants from the EU or indeed anywhere else?

The Prime Minister: May I first praise the right hon. and learned Lady for her decision to cross party lines and to appear with others on platforms to make the argument? She made it very persuasively, and I think it is right that she did. She is absolutely right that we must be very clear about our commitment to tolerance and diversity, and about our complete intolerance of racism and the hateful hate crimes that we have seen in recent days. I know that that is the view of hon. Members in this House, whatever side of the debate they were on, but that message needs to go out loud and clear.

Dr Julian Lewis (New Forest East) (Con): Does the Prime Minister recall that, when we held the vote in September last year on the European Union Referendum Bill, not a single Conservative, and only one Labour Member, voted against it, so is it not a bit late now for people to talk about blocking the implementation of the result just because they disagree with it? Finally—it...
is always good to end on a positive note—would the Prime Minister care to bring in the vote on the Trident successor submarines before he leaves office?

The Prime Minister: It is very clear: when it comes to numbers, my right hon. Friend wants four submarines and one referendum—I have got the message very clearly. He makes a good point, which is that when the House voted on the referendum, it voted by a margin of six to one to hold that referendum. We will obviously be coming forward with our plan for all the other decisions that can be made during the remainder of this parliamentary Session, and I would hope that it would include the one he mentions.

Mr Nick Clegg (Sheffield, Hallam) (LD): I would like to add my thanks to the Prime Minister for his service to the nation as the Prime Minister of a stable, successful coalition Government for five years. Throughout that time, there were many things that he and I disagreed on, but I always appreciated his civility, his good humour—on display here again today—and his ability, which is rare in politics, to see politics from other people’s points of view. All those qualities ensured the stability that was so necessary as the country was recovering from the economic shocks of 2008, and, for that, he should be warmly thanked.

I have heard a lot about democratic principle. Would the Prime Minister agree that it surely cannot be right, as a matter of democratic principle, that only members of the Conservative party, constituting 0.003% of the total electorate, should have a say in electing a new Prime Minister of a new Government with new priorities utterly different from those he got elected on last year? Does he agree that there should be an early general election?

The Prime Minister: First of all, let me thank the right hon. Gentleman for his kind words. We did work together very successfully. I know that he paid a very large personal and political price for the support he gave to that Government. That helped to deliver economic stability and make real progress in our country, and I thank him for it.

On the leadership election that will now take place and the other points the right hon. Gentleman put, all parties have their rules for electing leaders that are arrived at democratically; we have ours, and they will be followed. In the coalition agreement, we agreed the Fixed-term Parliaments Act 2011, which many of my colleagues have misgivings about. I happen to think it is a good measure, so as a result I think the right thing is for a new Prime Minister to take office, and it will be for them to decide whether to fulfil the terms of the Act or something else.

Sir Eric Pickles (Brentwood and Ongar) (Con): My right hon. Friend will know that a large number of people in my constituency work in the service industries, particularly financial services industries. This weekend they have seen jobs leave this country. They are worried about their future. They need not access to the single market but to be a participating part of the single market, and so does this country, as we currently have a £20 billion surplus. Will he ensure that that is given the highest priority, in the national interest, in our negotiations?

The Prime Minister: My right hon. Friend makes an important point. Let me stress that nothing changes in the UK’s trading relations with Europe until we actually leave the European Union, so there is a period when service companies—financial services—maintain the passport. One of the most important tasks for the new Government will be to negotiate the best possible arrangements with the single market, and that will be debated endlessly in this House. There is obviously a very strong case for trying to remain in that single market in some form, but that will be a decision for the new Government and for Parliament.

Hilary Benn (Leeds Central) (Lab): As the process of leaving the European Union unfolds, we will continue to face a large number of international challenges—the crisis in Syria, climate change, and the threat of terrorism among them—and yet we risk seeing our voice in the world diminished. Does the Prime Minister agree that in the negotiations every effort should be made to ensure that we continue to have practical co-operation with our European allies so that we can maintain the kind of influence in the world that is so important to our prosperity and our security?

The Prime Minister: The right hon. Gentleman and I agree on this issue, and we spent some time on the campaign discussing it. It is important to use all these forums to maximise Britain’s influence. We will obviously have to find a way, under the new Government, to work out how to work with the European Union to get the maximum effect for the British stance on climate change, on Syria, on how we try to prevent refugees from leaving Libya, and all the rest of it. Those will all be issues for a future Government. I know from all that happened in the campaign that this is not about Britain withdrawing from the world or playing less of a role in the world, and we will have to work out the way forward.

Nicola Blackwood (Oxford West and Abingdon) (Con): I would like to add my voice to the tributes to the Prime Minister from across this House. He is a true statesman who has made Oxfordshire proud, and we will miss him. Will he take this opportunity to reassure the science and innovation sector that the Government will fight to protect access not just to Horizon 2020 funding but to valuable research collaborations, and also to effective recruitment and retention of the brightest and best of EU researchers? They are essential to our knowledge economy and deserve to know that they will be a priority in ongoing negotiations.

The Prime Minister: I thank my hon. Friend for her kind remarks. It has been a great pleasure and privilege being her constituency neighbour and working together. How we maintain the advances in British science and competitiveness in our universities will be one of the issues that the EU unit will want to look at. Clearly we have done very well out of this bit of the European Union, and so it will be for the new Government to look at the evidence on that and how we can continue to move forward.
Kate Hoey (Vauxhall) (Lab): I commend the Prime Minister for the way in which he handled Friday and for the very diplomatic and kind speech he has made today. I ask him to continue to show that leadership over the next month or two, to ensure that some of the hysteria about what is going to happen to our country is kept under control. Will he also condemn very clearly those people who are almost implying that decent people all over this country who voted to leave the European Union are somehow closet racists?

The Prime Minister: I have been on the opposite side to the hon. Lady in this debate, but I know that it takes a lot of courage to stand out in the way that she has done. One of my first jobs in politics was as the Conservative candidate’s researcher in the Vauxhall by-election. If I had known then that the hon. Lady would be part of my nemesis, maybe I would have worked even harder. She is right: there are many people on both sides of this debate who have very strong views about tolerance, diversity and all the rest of it, and we need to make sure that that shines through in the coming days.

Philip Davies (Shipley) (Con): As the Prime Minister knows, I have not always agreed with him on issues, but, as he equally knows, I have always been very supportive of him personally and did not want him to make the announcement that he made last week. In saying that the country needs to come together—he is right to do so—does he accept that the first part of that is that everybody has to accept the result of the referendum, whether they like it or not, and that talk of a second referendum is for the birds? When he goes to see his European counterparts, will he pass on the message that the British people have said that we are very happy to continue with our £68 billion trade deficit with the European Union by trading with it, but in return for that we are not prepared to accept free movement of people or contributing to the EU budget?

The Prime Minister: My hon. Friend is absolutely right to say that we must accept the result—the Cabinet has and I think that everybody should—but what has to happen now is translating that result into action and choosing the correct pathway to leave the European Union and the correct relationship to have with it. That is going to take a lot of complex decision making by the new Government, and my hon. Friend obviously has a very clear view about what that should involve. It will involve a lot of separate and different decisions, but he is absolutely right to say that the decision must be accepted.

Meg Hillier (Hackney South and Shoreditch) (Lab/ Co-op): Many of my constituents are European citizens and they are fearful for their future. The Prime Minister has talked about a group of officials set up to determine what Brexit will mean. Can he give any comfort to these people? If not now, will he give a timetable for when they will know how they can apply to remain in the UK?

The Prime Minister: I think that many people will be watching this with exactly the same question that the hon. Lady has asked. The technically correct answer is that while we are members of the European Union there is no change in the rights or the circumstances of people coming to live and work in Britain, or in those of Britons going to live and work in other European Union countries. I would add to that that the leave campaigners were fairly clear that they wanted to protect the rights of people who are already here who have come to live, work and study, but obviously the final clarification of that and of the rights of British people living in other parts of the European Union will have to wait for the complex negotiations.

Mr Owen Paterson (North Shropshire) (Con): May I thank the Prime Minister for giving the British people the opportunity to vote on this issue for the first time in decades, and may I thank those who voted to leave for giving me a remarkable birthday present on Friday? I also welcome the establishment of the new unit under the Chancellor of the Duchy of Lancaster. Does the Prime Minister intend to publish a White Paper on the next steps?

The Prime Minister: No, I do not think that will be possible. The new unit has to get up and running and go through all of the complex issues that need to be sorted out, whether they be agriculture payments, borders, the situation in Northern Ireland or which British laws need to be rewritten because they mention a lot of EU law and all the rest of it. What I envisage happening is a series of papers being worked through, being discussed by the Cabinet and being prepared for the new Government as they come in.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): Given the enormity of this decision and the repercussions of the negotiation process, the arrangements that the Prime Minister has described sound extremely weak. He is effectively saying that Members of Parliament should just go and have an informal chat with the right hon. Member for West Dorset (Mr Letwin). The Prime Minister is leaving a dangerous political vacuum. I urge him to consider much broader arrangements to build a wider consensus, including setting up a cross-party Joint Committee of both Houses of Parliament to look at wider arrangements to involve voices from all across the country in what the negotiations about our future Britain, alongside the EU, should be. Britain feels very divided now and all of us have a responsibility to build a new consensus for the future.

The Prime Minister: I do not disagree with a lot of what the right hon. Lady is saying. Obviously, Parliament and Select Committees will want to consider how they can best produce evidence and take research and interviews to add to this process. I see the role of the Government as this. It is clear that we are moving from one situation—membership of the EU—to leaving the EU. We need to describe in a dispassionate, neutral and objective way what all the different outcomes look like and what are the advantages and disadvantages of all the different outcomes—the trade deal like Canada, the situation like Norway, and the pros and cons of being in the single market or out of the single market—so that our constituents can see the disadvantages and advantages in each case. That is what the Government should do, but Parliament—the House of Commons—can also play its part.

Sir Gerald Howarth (Aldershot) (Con): May I also pay tribute to my right hon. Friend for giving the British people the chance to take this historic decision?
I share his view that Britain will continue to be engaged with the rest of the world—I hope in a more positive fashion. May I also express the view that I am very disappointed that my right hon. Friend has decided to stand down? I wonder whether, at this difficult time, he might like to reconsider that decision. I say so because he is a star at the Dispatch Box and, furthermore, as he has demonstrated today, he will rather miss it if he is not here to do it.

**The Prime Minister:** I am sure there are many things that I will miss, and statements that go on for at least three hours are perhaps one of them. What on earth will I do to fill my time? The reason for my decision to resign is that the country has made a very clear decision to go in a particular direction, and I really do believe it needs someone—fresh leadership, and a fresh pair of eyes—committed to that path and to getting it right for Britain. I think that does require change. That is why I made the decision I did, and I am certainly not changing my mind.

**Alex Salmond** (Gordon) (SNP): Talking of which, at 9 o’clock this morning, the hon. Member for Uxbridge and South Ruislip (Boris Johnson) welcomed the stabilisation of the pound. At lunchtime, sterling fell to a 31-year low against the dollar. If you break it, you own it, so who owns this particular adjustment? Is it the Prime Minister, who called the referendum, or the hon. Member for Uxbridge and South Ruislip, who exploited it?

**The Prime Minister:** I will be very frank. The Government were elected on a manifesto promise to hold a referendum. We have held that referendum, the country has made its decision and this Government are responsible now for setting out the steps that we need to take and for doing all that is necessary to stabilise the economy. We took a choice to ask the people this very big question, because I believe in our parliamentary democracy but when it comes to the very big decisions I think it is right to consult the people. But this Government take responsibility.

**Mr John Baron** (Basildon and Billericay) (Con): In respecting with dignity the wishes of the electorate, does the Prime Minister accept that he has an absolutely pivotal role to play in encouraging all sides to come together and talk the country up? Calm optimism is now required. We are a great country, and we have a very bright future ahead of us.

**The Prime Minister:** I certainly believe that we all have a responsibility to bring the country together and to make this new pathway work as well as it does, but we have to do it from a position of realism. We do not know exactly what some of the economic and other effects will be, so we are going to have to take great caution and care in the coming days and the coming weeks to respond to that, as well as coming together to get the best pathway for our country to leave this organisation.

**Chris Leslie** (Nottingham East) (Lab/Co-op): On Friday, the Leader of the Opposition suggested we should rush to invoke article 50 renegotiations now. I disagree. I believe that it would be in good, sound order for our economy, to secure a stable transition, to make sure that article 50 is not triggered until at least the new year.

**The Prime Minister:** The triggering of article 50 is a matter for the British Government, and it is important we establish that. What matters is that we do as much work as possible to determine the best possible model that we want to try to negotiate for, which must be a matter for the new Prime Minister, and then he or she will make the decision to trigger article 50.

**Matt Warman** (Boston and Skegness) (Con): Boston in my constituency voted more than any other place in the country to leave the European Union, and it has seen the highest level of immigration from eastern Europe to this country. I am keenly aware that those migrants are my constituents too, but does the Prime Minister agree that we owe it to the will of the people who live in my constituency to deliver on the promises to reform immigration and increase spending on the NHS if we are to retain their faith in this place?

**The Prime Minister:** We must continue to enact our manifesto promises, one of which was to set up an immigration impact fund. We need to set up and establish that on, I hope, an all-party basis. We should continue to deliver for the NHS, as we promised in our manifesto and as we have done. Clearly, one of the key issues in this negotiation is how to balance the difficult decisions about access to the single market and better control of immigration, and I think that goes to the heart of what the country needs to do.

**Gavin Robinson** (Belfast East) (DUP): The Prime Minister and I were on different sides of this argument, but when he spoke on Friday, he did so with his dignity, his principles and his honour intact. I am very grateful to the Prime Minister for indicating that discussions will commence this week on the common travel area. May I, however, ask him to dismiss the notion that there could be a border poll in Northern Ireland, to dismiss the notion that the devolved institutions can wield a veto in this process and to resolve that only with the collective will to do what is in our national interest will we maintain this United Kingdom?

**The Prime Minister:** I thank the hon. Gentleman for his kind remarks. He is right to say that it is important to get it right on the common travel area issues, which are complex and difficult, if Northern Ireland is going to be the frontier between the United Kingdom outside the European Union and the European Union. On the border poll issue, the rules are set out very clearly in the Good Friday agreement, and I do not believe they have been triggered. In terms of the decision to leave the EU and how we do it, that is principally a matter for this Westminster—the United Kingdom—Parliament.

**Robert Neill** (Bromley and Chislehurst) (Con): The Prime Minister has shown the decency and courage that one of my predecessors, Harold Macmillan, would have respected. I think Harold Macmillan would have wept on the day this has happened and on the day the Prime Minister departs. Will the Prime Minister concede that it is very clear legally that article 50 is the only proper means of exiting the European Union and that any...
attempt to circumvent it would be wrong and would involve this country in a breach of its international obligations, which no decent leader of this country should ever contemplate?

The Prime Minister: Let me thank my hon. Friend for his remarks. He is right that the only legal way that has been set out to leave the EU is by triggering article 50. That is clearly what our partners want us to do, although not all of them believe that we have to do it immediately, which is why I believe we have some time to examine the right model we want to negotiate for and then to pull that trigger. As I understand it, that is the only legal way to get the job done.

Mr Pat McFadden (Wolverhampton South East) (Lab): During the campaign, we heard quite a lot of criticism about politicians, elites and experts, so may I ask the Prime Minister about a promise made by the leave side just this morning? The hon. Member for Uxbridge and South Ruislip (Boris Johnson) has said that he wants to maintain full access to the single market. Can the Prime Minister name a country that has full access to the single market that does not also have to accept the free movement of people?

The Prime Minister: The technical answer to the right hon. Gentleman’s question is that there are no countries today that have full access to the single market without contributing to the budget or accepting the free movement of people. Where we should try to seek some cross-party agreement is that I think it is in all our interests, whatever the eventual decision, to make sure we are as close as possible economically to our friends and partners in the European Union. That is obviously going to have to be negotiated, but my view is—the closer, the better.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): As somebody of Polish origin, I am very proud of the contribution Poles have made to this country not just during the battle of Britain, in which the Polish 303 Squadron was one of the largest, but in recent years. As chairman of the all-party group on Poland, I have invited the chairman of the Polish Social and Cultural Association to the House of Commons to show solidarity with the Poles following that appalling attack, and I very much hope that the Prime Minister might be able to join us for that meeting.

The Prime Minister: I commend my hon. Friend for his work with the Polish community here in the United Kingdom and for furthering relations between Britain and Poland. I spoke to the Polish Prime Minister this afternoon to say how concerned I was about the terrible attacks that have taken place and reassure her that we were doing everything we could to protect Polish citizens in our country. Poland is a country that is very sad to see Britain leave the European Union because we are like-minded on so many issues, including open markets and enterprise, and the Atlanticist nature of the EU. We must make sure that we work for the strongest bilateral relationship between Britain and Poland in the years ahead.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): May I commend the Prime Minister for the way that he has accepted the verdict of a United Kingdom-wide referendum? The rest of the House should accept that verdict in the way he has. As for implementing it, will he tell the House whether he intends to replace our commissioner, and to set up a special unit at UKRep?

The Prime Minister: First, I congratulate the right hon. Lady on the role she played in the campaign as a very key spokesman for that side of the argument. I pay tribute to Lord Hill, who worked incredibly hard in the European Commission; I am very sad to see him go. We should try to seek a replacement, because the fact is that we are a full, contributing and paying member of this organisation until we leave, and we should therefore have a commissioner, although I am sure that will be a challenge. UKRep in Brussels is ably led by Sir Ivan Rogers, who I hope will remain in place and continue to give the excellent advice that he has given to Ministers to date.

Simon Hoare (North Dorset) (Con): Although the hon. Member for Vauxhall (Kate Hoey) is right, I make no apology for bringing my right hon. Friend back to the topic of the racism we have seen since Thursday. A tweet has been sent to a young black woman in London that says:

“Go home! #wevotedleave. Time to make Britain great again by getting rid of u blacks, Asians and immigrants”.

When such a tweet can be sent, it would appear that a genie has been let out of the bottle—unintended, I am certain, by both sides of the referendum campaign. May I ask my right hon. Friend first that the police and prosecuting authorities have the resources to bring cases against perpetrators of this vile racism and secondly that he use his good offices with the leaders of both of the referendum campaigns to call out this abuse for what it is and bring a stop to it now?

The Prime Minister: My hon. Friend is absolutely right. This is hideous language that we thought we had banished from our country and it is very important that everyone comes out and condemns it as strongly as possible. On his specific questions, the police have resources because we protected their budgets, and there are the necessary laws to prosecute hate crimes. As far as I am concerned, they no longer exist; there is now one Government with one view, which is that we have to find the right path for the future. The sooner we can do that, the better.

Stella Creasy (Walthamstow) (Lab/Co-op): I am proud to say publicly that I voted for Britain to remain in the European Union. I am sure the Prime Minister would, too. I also respect and recognise that people across this House voted differently. All of us now need to help those at the sharp end of the decision, so will he tell us specifically what measures his Government are going to put in place for all the small businesses that are now facing a loss of or a pause in contracts as a result of the decision on Thursday?

The Prime Minister: The Business Secretary consulted businesses throughout the campaign, but has obviously stepped that up and is having a very large meeting with businesses tomorrow, and I will be doing more of that later in the week. The true position is that as long as we are in this organisation—until we exit—all the rules about trade, services, financial passports and access to
markets do not change. Now, informed by the work of the EU unit, we need to seek the very best possible deal to make sure that businesses can still benefit from access to European markets.

Mrs Cheryl Gillan (Chesham and Amersham) (Con): The Prime Minister, the Chancellor and the Governor of the Bank of England have commendably acted swiftly to restore calm to the markets and confidence in our country and economy. However, the Prime Minister knows that many people are leading voters to believe that a second referendum is possible and could be run on different rules. What would he say to those people who are encouraging others to believe that that is a possibility?

The Prime Minister: People will not be surprised to hear that I am not planning a second referendum. We have to accept the result, and get on and deliver it. As we do so, we have to seek the best possible deal, and obviously this House should be involved in that process.

Caroline Flint (Don Valley) (Lab): The scare stories about immigration that were spoken about by the people leading the leave campaign, and outriders, were frankly shameful, but we have a country that is divided between our cities and small town Britain, for which immigration was the No. 1 issue. Beyond an impact fund—which I support, although I was sorry to see it abolished some years ago—will the Prime Minister assure me that in the weeks before the House rises and over the summer, we will look more deeply into the pressures on our small town communities and different employment sectors, and into some of the abuses that are going on and the increased pressures on housing and rents? I also say gently that I am somewhat surprised by his statement that the new EU unit in Whitehall does not include the Home Office.

The Prime Minister: On that last point, the new EU unit will be working with every Department, because every Department is affected by this decision. The Home Office will play a leading role in trying to work out the options for leaving the EU but maintaining good levels of co-operation on crime, borders, information on terrorism, and all the rest of it. That useful work can be done before my successor takes office. I agree with the right hon. Lady that immigration was a key issue in the referendum, and we as a country must look at what more we can do to help people to integrate, and to examine the pressures on various public services. I made a series of suggestions about welfare changes that will not now be coming in, and I am obviously sad about that. We need to find some alternatives to those to reassure people that we can have a good, fair and managed system for immigration, from both outside and inside the EU.

Mr Jacob Rees-Mogg (North East Somerset) (Con): All I would like to do today is thank my right hon. Friend the Prime Minister for his years of service to the party and the country. Had the result been the other way round, I hope that my side would have behaved with the dignity and nobility that he has shown.

The Prime Minister: I thank my hon. Friend for his kind remarks and for the spirit in which they were given.

Mike Gapes (Ilford South) (Lab/Co-op): The Prime Minister said that there is now collective Government and Cabinet responsibility. In that context, will he say on behalf of the right hon. Member for Surrey Heath (Michael Gove) and the hon. Member for Uxbridge and South Ruislip (Boris Johnson) that we will have a vote in this House before article 50 is triggered?

The Prime Minister: First, on a technical issue, my hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson) is not a member of the Government—an important point. To answer the hon. Gentleman’s question directly, I cannot give that guarantee. The decision to trigger article 50 will be for the next Prime Minister and Cabinet, and the arrangements that are put in place must be for them to decide.

Mr Speaker: The Prime Minister is not responsible for the hon. Member for Uxbridge and South Ruislip (Boris Johnson), and he is probably quite pleased that he is not.

Mr Peter Bone (Wellingborough) (Con): The Prime Minister must take great credit for delivering the referendum, for the way he campaigned—the remain vote was undoubtedly higher because of that—and for the way he reacted afterwards. We have been talking about collective responsibility, so will all Ministers now appear to be mistruths told about the virtues of coming back into the EU? We are about to go into some of the most dangerous waters this country has
ever entered. It would be strange if we in this House carried on with arrangements as if business was going on as usual. Transparency is the best guarantee against any more mistruths. Surely our parliamentary arrangements must be strengthened to provide oversight of the right arrangements for leaving the European Union?

The Prime Minister: First, the right hon. Gentleman is right that we need to, as he put it, get the decency into our democracy. He is right that we must stamp out hatred and intolerance, but I do not believe we need to refight the referendum campaign. I will reflect on what he says and on what the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) said. There is a very big task for Government and Parliament to set out and examine, in an objective and fact-based way, the alternative models for leaving the European Union: what are the advantages, what are the disadvantages? This House has a big role in that. Whether it needs a new Joint Committee or whether it suits the existing Select Committees, I am very happy to receive advice and ideas from hon. Members. But certainly this House should play a proper role in informing the public and making sure we get the decision right.

Richard Graham (Gloucester) (Con): The Prime Minister is absolutely right that all of us who voted remain must accept the referendum result and do our best to implement it as well as possible. The manner and tone of his resignation speech and statement today is absolutely in keeping with the unifying, one nation Toryism he has done so much to advocate.

Among the divisions left in the wake of the referendum, many young people feel let down by their parents and grandparents. Does my right hon. Friend agree that in the weeks ahead the current Government should seize all opportunities to reassure young people that the opportunities and benefits that many of them see in Europe will still be available to them after the process of leaving the European Union?

The Prime Minister: My hon. Friend makes an important point. We must accept the result. During this process of debate and discussion involving Parliament and Government, there will be many arguments that people will want to look at on how we exit the EU and the relationship we will have at the end. What will it mean for young people in terms of travelling, working and studying? Those are all questions. Now that we are not talking about theoretical alternatives to membership, but are talking about the actual alternatives to membership, we need the maximum amount of detail, transparency and debate so people can make their voices heard.

Several hon. Membersrose—

Mr Speaker: I am keen to accommodate colleagues, but there is a premium on brevity—to be exemplified, as always, by Mr Douglas Carswell.

Mr Douglas Carswell (Clacton) (UKIP): I applaud the Prime Minister and I welcome his statement. Now that withdrawal from the European Union is the policy of Her Majesty’s Government, will the Prime Minister confirm that some of the architects of the vote leave campaign, not just the Europhile mandarins, will be involved in the work of the new Cabinet Office unit?

The Prime Minister: First, the Government and the Cabinet include many people who were prominent in both campaigns. As I said, the campaigns are now over; there is one Government and one Government policy. Let me take issue with the hon. Gentleman about our civil servants. They are impartial. They are hardworking. They are the best of British. They do a very fine job and I am sure they will help us to deliver this incredibly important and difficult challenge.

Mr Philip Hollobone (Kettering) (Con): Whatever the final form our exit negotiations from the European Union take, it is clear to everyone that we will need to strengthen our trading relationship with other economies around the world. The Prime Minister is right to set up the EU exit unit in the Cabinet Office, but what steps is he taking to supercharge the Department for Business, Innovation and Skills, so that we can have a team of crack trade officials to start negotiating such trade agreements?

The Prime Minister: That is exactly the sort of issue that we will be considering. It may be the case that we have to negotiate our exit from the EU first before being able to make many of those arrangements, but we should certainly be doing the research and the work. The Foreign Office and the trade envoys can help with that as can the Department for Business, Innovation and Skills.

Mr David Lammy (Tottenham) (Lab): May I say to the Prime Minister that I saw very closely the work that he did during the riots and I am very grateful for that? He will recognise that some of my constituents are among the poorest in Britain. In these very tough economic times, it is the poorest who will suffer. Does he recognise that young people, poor people and many middle class people who voted for remain want a plan, and that lies behind the call for a second referendum on the detail?

The Prime Minister: As I have said, we need to set out the options for the model of leaving. The next Government will make those decisions and they will have to confront the issue that the right hon. Gentleman raises of how to involve Parliament in those decisions. That will be something for them and for Parliament, but not for me.

Pauline Latham (Mid Derbyshire) (Con): May I echo the comments of many of those who say that the Prime Minister has been a tremendous leader not just for this country, but for the party? If it was not for him, there would not be such a diverse field of Members of Parliament behind him. May I also say that, in my constituency and around Derby and Derbyshire, many businesses are concerned that trade missions abroad will be put on hold? Can we make sure that, in this period when we are still in Europe, those missions that were planned before can continue, because we must keep working for this country?

The Prime Minister: I thank my hon. Friend for her kind remarks. I can certainly give her the assurance that trade missions will continue. If anything, they need to be stepped up.
Frank Field (Birkenhead) (Lab): May I take the Prime Minister back to the resignation of our European commissioner? Given the importance of that role, can we expect him to make a replacement within days rather than months?

The Prime Minister: I am moving on that as fast as I can. Obviously, the process of getting the commissioner appointed includes hearings of the European Parliament and all the rest of it, but as a full-paying, full member, I think that we are entitled to have a commissioner.

Mark Menzies (Fylde) (Con): May I put on record my sincere thanks to the Prime Minister for the support that he has given to BAE Systems and its 6,500 men and women, many of whom are apprentices and graduates, who work at its facility in my constituency? Such is the level of his dedication that he has visited that plant more often than all of his predecessors combined. May I ask him for his reassurance that the Government will continue to do everything they can to secure the futures of the people who work on the Typhoon Eurofighter and on pan-European projects?

The Prime Minister: I am very grateful to my hon. Friend for his remarks. I will continue to do everything I can to support BAE Systems. I enjoyed watching Typhoons fly over Cleethorpes on Armed Forces Day on Saturday. I will continue to work as hard as I can to ensure that we secure orders abroad.

Joan Ryan (Enfield North) (Lab): The Mayor of London has rightly expressed his concern about the consequences that Brexit will have on the London economy, jobs and growth. Clearly, that is a concern for the whole country. Given that the financial sector relies on retaining passporting rights to the European market, will the Government guarantee that that will be a top priority for negotiations with the EU? Does the Prime Minister agree with the Mayor of London that London needs a seat at the table for the forthcoming negotiations with the EU?

The Prime Minister: As I said in my statement, the Mayor of London and the London Assembly should be involved. Financial services make up 7% of our economy. Two third of the jobs are outside London, and access to the single market is vital. I hope that they make their voice heard very strongly in making sure that we seek the closest possible relationship economically with Europe.

Paul Scully (Sutton and Cheam) (Con): Our economic priority must be to settle short-term uncertainty and to position ourselves to make the most of opportunities in the long term. Does my right hon. Friend agree that, while digesting the referendum result and commenting on a way forward, we should concentrate on our economy’s strong fundamentals and not talk our economy and our country down?

The Prime Minister: My hon. Friend is absolutely right that we must talk up our strengths—and they continue to be our strengths—but we do need to be realistic in meeting the challenges and difficulties that we face.

Rachel Reeves (Leeds West) (Lab): The Treasury Committee’s report on our membership of the European Union looked at the short-run risks of volatility, many of which are now manifesting themselves with sharp falls in sterling, the volatility on the stock exchange and Government bond yields falling to an all-time low. What actions are the Government taking now to protect British jobs, growth and living standards?

The Prime Minister: The hon. Lady is absolutely right: the Treasury Select Committee did look at that and warned about the volatility. We have seen a lot of that volatility and the reaction of the Bank of England and the Treasury to it. As well as the volatility, we have to look out for the dangers of uncertainty. The Government stand ready to help in any way they can. Part of this will be reassuring business that all the trading relationships continue while we are in this negotiation. The hon. Lady is right to say that there will be challenges ahead.

Mr Dominic Grieve (Beaconsfield) (Con): The Mayor of London and the London Assembly should be involved in determining the single market. It is vital that Southern friends in London feel that they are listened to. The Mayor of London has expressed his concern about the consequences that Brexit will have on the London economy, and I hope that today the Prime Minister will confirm that the Government guarantee that the people who work on the Typhoon Eurofighter and on pan-European projects will be reassured and that the Mayor of London and the London Assembly will be involved in determining the single market.
Liz Kendall (Leicester West) (Lab): The Chancellor said this morning that action to address the referendum’s “impact on the economy and the public finances” will not be taken until the autumn. At a time of such risk and uncertainty and with continuing weaknesses in our economy, I find that staggering. Will the Prime Minister reconsider this decision and bring forward a proper plan, particularly to secure the private and public sector investment that our economy will need to weather the incoming storm?

The Prime Minister: I think the Chancellor was referring to the idea that fiscal measures might be necessary if the economic impacts of leaving prove to be as bad as some of the independent forecasters suggested. He was referring to the idea of having some form of Budget. The Government stand ready, with the Bank of England and others, to take any measures necessary to help to create the market stability that might be necessary.

Mr David Nuttall (Bury North) (Con): I warmly thank my right hon. Friend for his statement today. I have long hoped for this day, ever since I stood right here on 24 October 2011 and first moved the motion that there should be a referendum on our membership of the European Union. What does my right hon. Friend think it says about the nature of the European Union that several member countries reportedly want to “punish” the UK simply because a majority of people had the temerity to vote to leave it?

The Prime Minister: Let me first congratulate my hon. Friend on his long campaign. I think that when we look at the reaction of the European Union to these events, we should be careful not to view it entirely through the filter of media outlets that want to see only one reaction. What I sense from the conversations I have had with the Germans, the French, the Poles, the Italians and others is that they are genuinely sad to see the United Kingdom go. They genuinely want to have a good and strong relationship with us when we leave. Obviously, however, they, like us, have to think of their own interests, just as we think of our own interests. The fact that the 27 member states will meet without the United Kingdom after the European Council should not be seen as surprising. In fact, many of us said that that would happen if we were to leave. We will fight like mad for our interests, but they will fight for theirs. We have to try to convince them and try to maintain in ourselves good, open and strong relations so that this becomes a dialogue leading to a mutually beneficial result rather than a war of words or something worse that then leads to a painful divorce.

Pete Wishart (Perth and North Perthshire) (SNP): The Prime Minister’s response to my right hon. Friend the Member for Moray (Angus Robertson) was quite simply woeful. Scotland voted overwhelmingly to remain in the European Union—62% of voters, and every local authority in Scotland. We value our EU membership. We are a unitary nation. What does the Prime Minister now say to the people of Scotland, who believe that we should remain within the European Union? What do we do now?

The Prime Minister: What we do now is make sure that we get the very best outcome from this negotiation, so that it is good for the United Kingdom and good for Scotland. It is all very well the hon. Gentleman waving his finger, but that is actually what matters most to the people of Scotland.

Jeremy Lefroy (Stafford) (Con): I pay tribute to my right hon. Friend for his leadership over many years, and thank him for it. I also pay tribute to the German Chancellor for her measured and wise words over the weekend, which I believe set a good tone for the negotiations. May I ask my right hon. Friend what measures are being taken to ensure that we strengthen bilateral relations, right now, between us and all the 27 other members of the European Union, given that we will not be dealing with them through the filter of the European Union in future?

The Prime Minister: I thank my hon. Friend for his kind remarks. Obviously, one of the great roles of the Foreign Office will be to concentrate on those bilateral relations, even as we conduct this very complicated and difficult negotiation. We do have embassies in every single European country, and we do have strong bilateral relations. With my negotiation, I was the first British Prime Minister to visit some of the further-flung parts of the European Union, and I will certainly, in whatever capacity—I do everything I can to keep those bilateral relations strong, because that will help our negotiation for our future in Europe.

Kevin Brennan (Cardiff West) (Lab): I voted remain, but belatedly picked up a leaflet this morning in my London flat—the official leaflet of the leave campaign. It said that the NHS could receive an extra £350 million a week as a result of a vote to leave. Can the Prime Minister tell us when the NHS can expect to receive that money?

The Prime Minister: Obviously, until we leave the European Union we will continue our contributions to the European Union, and at that moment my successor will have to explain where the money is going.

Alberto Costa (South Leicestershire) (Con): The City of London boasts some of the best global lawyers in the world. May I urge the Prime Minister to speak to the Law Society of Scotland, the Law Society of Northern Ireland and the Law Society of England and Wales, to ensure that the very best British lawyers will undertake half the negotiation team’s efforts?

The Prime Minister: My hon. Friend has made an important point. I have talked about the EU unit, which will obviously contain the best and brightest from the civil service, but it is also important for us to secure the best and brightest from the private sector, whether they are lawyers, financial experts or trade experts. We want all that expertise to be involved in what will be a massive national endeavour.

Several hon. Members rose—

Mr Speaker: Order. I understand why there are courteous prefaces to many questions, and that, I think, is appreciated in the House, but it would now be really useful if we could have single, short supplementary questions, because the Prime Minister is giving admirably succinct replies.
Mr Chuka Umunna (Streatham) (Lab): This is a short, succinct question, Mr Speaker. Does the Prime Minister think that precipitating a collapse in the value of sterling, a fall in the value of our equities and a suspension of trading in our banks amounts to Britain taking back control?

The Prime Minister: As I think I have said, there are financial consequences that we need to manage in the days and weeks ahead.

James Cartlidge (South Suffolk) (Con): Further to the question asked by my right hon. and learned Friend the Member for Beaconsfield (Mr Grieve), does the Prime Minister accept that a very clear prospectus was sold to the electorate who voted to leave, which included an explicit promise to end unskilled migration from the European Union? That promise was explicit, and it is what those people voted for. Does the Prime Minister believe that it can be delivered?

The Prime Minister: As I have said, I think that one of the greatest challenges will be negotiating the best possible access to the single market, and balancing the issue of the best management and control of migration. That will be a decision for the future Prime Minister, and it will be one of the most important that he or she, and a Cabinet, will have to make.

Ian Murray (Edinburgh South) (Lab): The fact that 78% of the voters in my constituency voted to remain was in no small part due to the contribution the EU makes to higher education and to the large financial services sector in Edinburgh. What is the Prime Minister doing to reassure my constituents and others all over the country, given the uncertainty that he has created by calling this referendum, in the period up to article 50 being introduced in this House, as well as after article 50 and beyond Brexit? There is uncertainty, and people are worried about their jobs and livelihoods.

The Prime Minister: First of all, we have to respect the outcome of the referendum. I think it is right not to trigger article 50 because that will start a process that will have to result in an exit within two years. That could be an unmanaged exit if the process is started too soon. The people working in financial services, including the 100,000 who work in Edinburgh and Glasgow, form an important part of our economy. And in Aberdeen. And in Aberdeen Asset Management; I shall give them a plug as well. We have to do everything we can to get the best possible access to the single market.

Several hon. Members rose—

Mr Speaker: Doubly splendid.

Paula Sherriff (Dewsbury) (Lab): Like many others across the House, I have been saddened and deeply distressed to hear of some terrible racist and xenophobic incidents recently. In fact, during the course of this debate, I have been sent a message to say that a young lady in my constituency has been told to go “home”. This is her home, and she is very welcome here. Will the Prime Minister agree to convene an urgent meeting of a cross-party commission to look into race hate crimes and how we can eradicate this cancer from our society?

The Prime Minister: The hon. Lady’s point is absolutely right, and as for the organisation that she mentions, I shall look into it.

Mr Robin Walker (Worcester) (Con): One of the greatest achievements of this Prime Minister has been to make the job of eliminating youth unemployment no longer an impossible dream but an achievable mission. Like him, I agree that that might become more challenging, but also like him, I agree that we must accept the outcome of this referendum. Does he agree that whoever his successor might be, he or she should ensure that the opportunities and life chances of young people are at the heart of our mission?

The Prime Minister: My hon. Friend is absolutely right. Whatever the challenges might be, and whatever route we take through the difficult pathway of access to the single market and the control of migration, one of the best ways to control migration is to increase the apprenticeships and opportunities available to our own young people in our own country to enable them to fill the jobs that our economy has created.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): Key industries in my constituency, notably agriculture and fish processing, face challenging times because they rely on European market access and also depend quite heavily on migrant workers to meet labour shortages. The Scottish Government are already meeting stakeholders in an attempt to steer through these turbulent times, but what are this Government doing to shore up confidence in those sectors? Can the Prime Minister tell us when he will be in a position to say what the status of those EU workers will be?

The Prime Minister: In terms of reaching out to businesses in different sectors, my right hon. Friend the Business Secretary will be doing that. He is holding a large meeting tomorrow with businesses, and I will be doing the same later in the week. I am certainly happy to look at some of the interests that the hon. Lady has mentioned. In terms of the answer I gave on the rights of EU workers, they will continue until we leave the organisation, and if I have heard correctly what those who want us to leave have said, the rights of those who are already here—students and workers—will be protected.

Tom Pursglove (Corby) (Con): I too pay tribute to the Prime Minister. Does he agree that in negotiating the exit, it will be crucial for each of the nations of the United Kingdom to be formally represented?
The Prime Minister: Yes, it is important that the negotiating mandate is drawn up with the involvement of all the constituent parts of the UK.

Heidi Alexander (Lewisham East) (Lab): Can the Prime Minister tell us what justification the Leader of the House and the Secretary of State for Northern Ireland have given him for claiming that, should we leave the European Union, there would be £350 million a week to spend on the NHS?

The Prime Minister: I do not want to re-fight the campaign. Obviously, there was a disagreement about whether we would have less money with a smaller economy or whether we would have more money by leaving the EU. We are now putting that to the test and the results will be clear for all to see.

Mrs Flick Drummond (Portsmouth South) (Con): While I am pleased to hear that the new unit is being set up, can the Prime Minister assure us that resources will not be diverted from the life chances agenda, which he has been so instrumental in bringing in and which means so much to the people of Portsmouth, and that the agenda will continue with good pace?

The Prime Minister: I can certainly give that assurance. Obviously, the key European issues will be for the Foreign Office, the Treasury and the Cabinet Office. The agenda that my hon. Friend talks about will be important in the weeks ahead.

Kerry McCarthy (Bristol East) (Lab): Given the disdain shown by many leading leave campaigners towards EU environmental protections, can the Prime Minister tell me what stance will now be taken as the EU looks at the fitness of the nature directives. Will we still be implementing the EU’s circular economy package?

The Prime Minister: We remain a full member of the EU and must meet our obligations as a member of the EU, including the existing directives. That is important, but such matters will then be for a future Government. In the meantime, we will carry on obeying the rules set out.

Mr Nigel Evans (Ribble Valley) (Con): There is another group of people who are hurting since the result of Thursday’s referendum: the elderly. They have been told time and time again that they have let down Britain and the youth of this country. Will the Prime Minister confirm that the elderly are greatly valued in this country and that their voices are of equal merit to those of young people?

The Prime Minister: My hon. Friend is of course right. The key thing about a referendum is that every vote in every part of the country is worth the same.

Mr Speaker: Single-sentence questions.

Brendan O’Hara (Argyll and Bute) (SNP): The overwhelming majority of my constituents and, indeed, of Scotland voted to remain in the European Union. Does the Prime Minister agree that it would be a democratic outrage if we were now to be stripped of our European citizenship?

The Prime Minister: Obviously, what I want is the best possible outcome for the United Kingdom and therefore the best possible outcome for Scotland. That is what matters most.

Jason McCartney (Colne Valley) (Con): I join colleagues in speaking out against racism and hatred. I actually voted for 16 and 17-year-olds to have a vote in the referendum, but I also have the utmost respect for people of all ages who voted, including pensioners and the elderly. Many of them served our nation in years of peril.

The Prime Minister: I congratulate my hon. Friend on speaking out against racism. We must all continue to do that. He is right that every vote counts the same.

Peter Kyle (Hove) (Lab): Once the Government agree the terms of the negotiation, is that not when the House should make a judgment on whether the terms of the negotiation match up to the promises made by the leave campaign? This House should make that judgment before the negotiations go forward.

The Prime Minister: This House is sovereign. Under the reforms put through by the coalition Government, this House has all sorts of opportunities to take an issue unto itself and to vote on it. That now happens much more than when I first became a Member of Parliament when it was impossible to do that. My advice would be that the House must accept the will of the country. The next Government will have to bring forward their proposals on article 50 and the rest of it, and there will have to be discussions between the Government and the House about how that goes ahead.

Kevin Foster (Torbay) (Con): Does the Prime Minister agree that it would make as little sense for us to put trade barriers between us and 44% of our market as it would for Scotland to put barriers between itself and 90% of its export market?

The Prime Minister: My hon. Friend makes an important point. As I said, Scotland benefits from two single markets, and I am keen to keep it in one and as close as possible to the other.

Wes Streeting (Ilford North) (Lab): If the Prime Minister cannot guarantee today that there is £350 million a week for the NHS and all the other promises made, what does that do to trust in politics and what does it say about the fitness for office of the Leader of the House, the Secretary of State for Northern Ireland, who has left the Chamber, the Secretary of State for Justice, and the former Mayor of London?

The Prime Minister: I do not propose to re-fight the campaign. The point is that the two sides had different arguments. One was that if the economy reduced in size, there would be lower tax receipts and less money available. The other side said that money will be available because we are leaving the EU. As we are now leaving the EU, we will be able to test, in time, which of those answers is the right one.
Mike Wood (Dudley South) (Con): Succinct thanks to the Prime Minister, but what assessment has he made of the opportunities for preliminary negotiations before triggering article 50?

The Prime Minister: The assessment I have made is that it is a national sovereign decision to trigger article 50, so it is right for this Government to prepare the ground and for the next Government to choose the model they think is the right one to pursue, to hold some discussions and then to trigger the article 50 process. Just so the House fully understands, that has a two-year limit that can be extended only by a unanimous vote of all the other 27 members. At the end of that two-year period, if you do not have an arrangement, you then move to World Trade Organisation rules, so it is right that we go about this deliberately and sensibly, in order to get the best deal for our country.

Several hon. Members rose—

Mr Speaker: Another distinguished QC with a single-sentence question I feel sure—I call Joanna Cherry.

Joanna Cherry (Edinburgh South West) (SNP): Thousands of my constituents are employed in Edinburgh's financial sector, which is the second biggest in the UK. Can the Prime Minister give me his assurance that the UK Government will work with the Scottish Government to make sure that my constituents’ jobs do not face a similar threat to that faced by people in the City of London, where it is estimated that up to 70,000 jobs could go abroad in the next 12 months?

The Prime Minister: I can certainly give that assurance. This is an important industry for our country; it is 7% of the economy. The jobs in Scotland, in Bristol and in Bournemouth are just as valuable as the jobs in London, and I want to keep as many of them as possible.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): One of my local councillors in Butetown was told this weekend to “get out of the country”, and a former Tory candidate, Shazia Awan, in Caerphilly, was told: “I cannot wait to send you and the anti-white garbage that you stand for back to the third world dumps that you came from.”

Will the Prime Minister send a clear and unequivocal message from this House to that small number of people—those leaders of other political parties—that if you indulge and stoke fear, you generate hate?

The Prime Minister: I would add to that: you not only generate hate, but you commit a crime and you can be prosecuted—and the police should not hold back.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): With a volatile currency, there are fears that petrol prices could rise sharply as sterling falls faster than the oil price. Those fears are being heightened by the Chancellor’s threat, pre-referendum, of a punishment Budget. Will the Prime Minister assure motorists, and the police should not hold back.

The Prime Minister: Let me say now what I said at the time, which is that nobody wants to have an extra Budget or any difficult measures for taxes or spending, but, obviously, any Government have to react to the economic circumstances they face. Let us hope that the economic circumstances are not as bad as the experts predicted.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): Over the next five years, the north-east was due to receive £726 million in EU funding. Will the Prime Minister give some much needed reassurance to the regions currently relying on hundreds of millions of pounds of EU funding that they will still receive the same amount from Whitehall?

The Prime Minister: Obviously, I cannot give that assurance today, but we heard during the campaign from those who were arguing we should leave that we ought to try to do everything we can to help disadvantaged areas of the country—those in receipt of grants, farmers and the rest of it—with the best situation we can. I am sure that that is what will happen.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): There has been no mention of Wales yet in this debate and we have been speaking for one hour and 38 minutes. Will the Prime Minister agree to speak out for our future prosperity and commit, as best he can, to Wales’s place in the European economic area?

The Prime Minister: Certainly. I mentioned Wales in my statement, and I have spoken to Carwyn Jones, the First Minister. Indeed, I appeared on a platform with him and the hon. Member for Cardiff South and Penarth (Stephen Doughty), but, sadly, that trio, brilliant though it was, was not enough to convince the people of Wales to vote to remain. It is important that we make sure that the Welsh voice is heard loud and clear. Wales has benefited from a lot of inward investment from companies that want to come to invest in Britain because we are in the single market. I would say to all those businesses that it is worth making sure that their voice is heard as we work out the best plan for the future.

Robert Flello (Stoke-on-Trent South) (Lab): As well as jobs in the ceramics industry, many of my constituents rely on the logistics sector—indeed, all our constituencies need that sector. Given that there has already been a lot of concern about what is happening in Calais to hauliers coming across, what assurance can the Prime Minister give to the haulage industry that the border will remain in Calais, and will not find itself in Folkestone or Dover?

The Prime Minister: We support continuing the treaty that was established that has the border in Calais, and we will do everything we can to persuade the French to keep to their side of the bargain and continue as we are.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): The Prime Minister will no doubt have seen the First Minister of Scotland move quickly to reassure EU nationals living and working in Scotland that they are welcome and valued. In the highlands we need EU citizens: they are not only essential to our economy; they are our friends and neighbours. The Prime Minister said in his statement today—
Mr Speaker: Order. I am sorry, I am not prepared to have these speeches. [Interruption.] No, I am sorry—it is a speech. What I want is a one-sentence question. [Interruption.] It is no good gesticulating at me; the hon. Gentleman has got to do as he is asked to do—now. Please: one sentence.

Drew Hendry: The Prime Minister said in his statement to EU citizens today that there would be—

Mr Speaker: What is the question?

Drew Hendry: The Prime Minister said in his statement that there would be no immediate changes in their circumstances. Given that Scotland voted so heavily to stay in the EU, should it not be a decision for the people of Scotland if there is to be a change in their circumstances?

The Prime Minister (Mr David Cameron): This decision is going to have to be made by the new Government as they negotiate our position outside the EU, but I very much hope that the rights and allowances given to EU citizens here now working and studying and contributing would continue.

Diana Johnson (Kingston upon Hull North) (Lab): I wonder whether the Prime Minister regrets not giving 16 and 17-year-olds the chance to have a say in the future of this country.

The Prime Minister: No, I have always believed that 18 is the right age to have that vote, and I have always voted accordingly.

Alison Thewliss (Glasgow Central) (SNP): This is a Government Scotland did not elect, we had a referendum that Scotland did not want, and now Scotland is being taken out of the EU against our will. Does the Prime Minister agree that there has been a fundamental change in circumstances from September 2014?

The Prime Minister: What we need to focus on now is getting the best deal for the UK and getting the best deal for Scotland. It is worth looking at the Daily Record poll today, which indicates that it is not necessarily the case that Scotland is looking for a second referendum. [Interruption.] Just because the right hon. Member for Moray (Angus Robertson) does not like what he reads, does not mean he should not read it.

Alison McGovern (Wirral South) (Lab): The Prime Minister keeps saying that our economic fundamentals are strong, but our membership of the EU was one of those economic fundamentals, so may I ask him to speak to the Chancellor, who has now fled this House, to set up a plan to counter the Brexit recession, including increasing capital expenditure in the north?

The Prime Minister: The Chancellor sat through a lot of this statement and the responses, so I do not think what the hon. Lady says is entirely fair. He made a very clear statement this morning, but the guarantee I can give her is that he and I will remain in our posts until a new Government arrive, and if there is action we need to take, if there are reassurances we need to give, if there are measures that are necessary, we will do all we can to make sure our economy continues to succeed.

Kirsten Oswald (East Renfrewshire) (SNP): European citizens living in my constituency are anxious because of the despicable messages of the leave campaign—horrible incidents since the referendum and a lack of clarity now. The Prime Minister has just said there will be no immediate change to their circumstances. Does he recognise how little reassurance this brings?

The Prime Minister: Let me try to reassure Members. The only reason I am saying “No immediate changes” is that I am just trying accurately to reflect the legal situation, which is this: for people who are free at the moment to come and live and work in the UK—I let me repeat that if they come here and they cannot support themselves, we can ask them to leave; that is important and has been the case for some time—as long as we are members of the EU, that continues. At the point at which we go, a Government will have to make a decision about what to negotiate with the rest of Europe about the rights of Europeans to come and live and work here—whether there will be visas or work permits, or what have you—and then there will be consequences potentially for British citizens going to live and work in Europe. The House is going to be able to debate all these things, so Members will be able to contribute to all these discussions and conversations, but I must answer accurately from this Dispatch Box, and what I can say is that as long as we stay in the EU those rights are protected, and I have gone further than that and said that everything I have heard from those who were campaigning to leave is that those rights will be continued after we have left.

Stephen Timms (East Ham) (Lab): Does the Prime Minister accept that maintaining very strong UK participation in Europe-wide scientific research collaboration needs to be an important strand of the work he has described going forward?

The Prime Minister: I very much agree with the right hon. Gentleman. This is an area where we have got more out of Europe than we have put in, and we will clearly want to safeguard that for the future.

Patricia Gibson (North Ayrshire and Arran) (SNP): Does the Prime Minister agree that if 55% of people in Scotland voting against independence was enough to keep Scotland in the Union, 63% voting to remain a member of the EU should be enough to keep Scotland in the European Union?

The Prime Minister: One could make the converse point, which is that if Scotland had voted to leave the United Kingdom, it would have left the European Union already.

Jim Dowd (Lewisham West and Penge) (Lab): Some discussion following the statement revolved around the response of Members of this House to the decision of last week. Throughout my experience during 24 years in this House, I have regarded my primary responsibility as being to the people of Lewisham West and Penge, who voted 2:1 for remaining in the European Union. Thus, I will oppose any measures that come before this House that would seek to undermine that.

The Prime Minister: Obviously, Members of this House have to vote as they see fit. My sense is that it would be wrong to disregard the clearly expressed will
[The Prime Minister]

of the British people, but clearly in future this House
will be confronted with all sorts of decisions about the
nature of our relationship with Europe and the rules
and regulations under which we are going to leave, and
the House will be able to have its say.

Tommy Sheppard (Edinburgh East) (SNP): If
mechanisms, as yet unseen, were to emerge that would
allow Scotland to remain in the European Union while
allowing England and Wales to leave, would the Prime
Minister facilitate such an approach or would he prefer
to fuel the appetite of the Scottish people for their own
self-government?

The Prime Minister: Obviously, I want Scotland to
stay inside the United Kingdom, and it is a United
Kingdom decision to leave the European Union, so
what we should focus on is the best deal for the United
Kingdom and the best deal for Scotland. That is the
question. It is not “Could there be a referendum?” but
“Should there be a referendum?”

Angela Smith (Penistone and Stocksbridge) (Lab): Does the Prime Minister agree that one of the more
positive things he could do in the time left to him would
be to ensure that this House has the opportunity to vote
before the summer recess not just on the Trident successor
programme but on the building of the third runway at Heathrow?

The Prime Minister: There are a number of decisions
that we are going to have to look at in the light of the
new circumstances with which we are faced. I will be
doing that over the coming days. I want to make sure
that this House still debates, discussing and
deciding important issues, and I will set out in the days
to come what I think those important issues should be.

Ian Blackford (Ross, Skye and Lochaber) (SNP): Is
this not the biggest foreign policy disaster for a Conservative
Prime Minister since Eden and Suez? Specifically on the
Scottish question, if the Scottish Parliament, backed by
the Scottish people, calls for a referendum on Scotland’s
independence in Europe, will the right hon. Gentleman
leave a note for the next Prime Minister to say, “You
must accede to the wishes of the Scottish people and
allow that referendum”?

The Prime Minister: The question is not “Could there
be a second referendum?” but “Should there be a
second referendum?” I do not believe there should be.
That is the point that I would make. It is not clear from
the debate we were on and whatever we felt about the
campaign and some of the posters in it.

Dr Lisa Cameron (East Kilbride, Strathaven and
Lesmahagow) (SNP): During the independence referendum,
Scottish people were told to vote no to preserve their
place within the European Union, so will the Prime
Minister now give Scotland an apology for that false
promise?

The Prime Minister: Had Scotland voted to leave the
United Kingdom, it would have been out of the European
Union. One does not need to have many conversations
with the Spanish Prime Minister to know how difficult
it would have been to get back in.

Karin Smyth (Bristol South) (Lab): I am a regular
traveller between Cavan in the Republic of Ireland and
County Fermanagh in the north of Ireland. I never
thought I would see that border go, and I weep at the
thought of it returning. It beggars belief that the Secretary
of State for Northern Ireland remains in post. What
discussions has the Prime Minister had with the Taoiseach
since Friday about Northern Ireland and the border?

The Prime Minister: Obviously, I have spoken to the
Taoiseach, and I will be seeing him again tomorrow. He
is taking an incredibly constructive and helpful approach.
He is obviously very sad that Britain has decided to
leave the European Union, but the relationship between
Britain and the Republic is stronger than it has been for
many, many years. What we have to do now is to sit
down with officials in Northern Ireland and officials in
the Republic to work out the best way of conserving all
the parts of the common travel area that have been so
beneficial and how we can do that in a world in which
we are not in the European Union. It will be difficult,
but we have to find a way through.

Alan Brown (Kilmarnock and Loudoun) (SNP): I fail
to see how a Prime Minister who is working his notice
can actually guarantee the continued involvement of the
devolved Administrations for what is possibly a
two-year period. However, can he confirm that the
Scottish Government’s initial involvement will mean
that they are able to represent the will of Scotland,
which is to stay in Europe?

The Prime Minister: The Cabinet agreed this morning
that there should be the greatest possible involvement of
Scotland, Wales and the Government in Northern Ireland
in drawing up and understanding all the challenges that
we need to meet in this negotiation.

The teacher said that
“we reassured all of the children and talked about the fact that
everyone here would be able to stay but our community was
afraid.”

What guidance is the Prime Minister giving to teachers
and head teachers? I am sure that my school was not the
only one affected.

The Prime Minister: We should be very proud of our
diversity in this country and of the welcome that we
have given to immigrants and refugees coming to our
country, and we are proud of the contribution that they
make. That message needs to go out loud and clear. Just
because we are leaving the European Union, it will not
make us a less tolerant, less diverse nation. That needs
to go out loud and clear from all of us, whatever side of
the debate we were on and whatever we felt about the
campaign and some of the posters in it.

Other children told us that their parents were proud and said it
“were crying and telling me that they were going to have to leave.
Other children told us that their parents were proud and said it
was great.”
Paul Flynn (Newport West) (Lab): Has the level of lies, malice and exaggeration in both campaigns not degraded public discourse to a level where no one will believe politicians in the future? Is this not a threat to the whole status of politics and democracy?

The Prime Minister: I do not actually agree with that, and I think the turnout showed that people took this referendum campaign very seriously.

Geraint Davies (Swansea West) (Lab/Co-op): The complex negotiations prior to triggering article 50 will shape the future of Britain, so would it not be right for the British public, in the cold light of day, to have a referendum on the facts in front of them so that they can see the future, with a backcloth of being able to remain at home in Europe if they so wish?

The Prime Minister: We had a referendum on a very important, principled question about in or out. Now what needs to happen is that the different models of our need to be properly examined. Parliament should debate them, and the Government should make a decision. That is what needs to be carried out.

Chris Bryant (Rhondda) (Lab): Why does the Prime Minister not just commit to match the money for Wales, the north-east and all the other places that currently receive EU funding? He has made lots of commitments already today, so he could certainly do that. I will do a deal with him: if he does, I will make a contribution towards building a statue of him somewhere in Wales.

The Prime Minister: I am so glad that my resignation has set off such a chain reaction, including from the hon. Gentleman. It has been like filling a leaky bucket—the more you pour in, the faster you have to go. I have forgotten what the question was now—[Interruption.]

Chris Bryant: You’ve done it before.

The Prime Minister: Quiet you at the back.

That is why I stuck to the view I have taken all along that 18 is the right age. I often find, going round secondary schools in the country and in my constituency, that when you ask sixth formers, there is quite strong support—sometimes majority support—for keeping the age at 18.

The Prime Minister: I would say, very respectfully, that we had a vote on Scotland remaining in the United Kingdom and we had the Edinburgh agreement which said that the result should be respected. That meant that Scotland was part of the United Kingdom, and the United Kingdom has now had a vote on its membership of the European Union. That is how we do things.

The Prime Minister: The ceramics industry is a classic example of one that needs to make its voice heard. I will make sure that happens and that we get a good negotiation, because if, at the end of two years, Britain were to come out of the European Union without an adequate deal, we could be facing quite large tariffs on, for example, ceramic products. That is a very good argument for why we need to think this through carefully, then trigger article 50 and make sure, during that process, that we protect the access of those industries to this vital market.

The Prime Minister: Earlier in his statement the Prime Minister described the financial and economic reaction to Brexit as an “adjustment”. I presume that was a euphemism. Does he believe that millions of pounds being wiped off the share value of global companies, the pound at a 31-year low, and the trillions of pounds being wiped off share value of global companies, the pound at a 31-year low, and the threat of tens of thousands of jobs moving to the continent is just an “adjustment”?

The Prime Minister: The reason I used the word “adjustment” is this: there are clearly short-term financial and volatility effects, as we have seen, but my worry is that there will be longer-term uncertainty effects. People
and businesses will be concerned about the UK’s access to crucial markets, and so there might therefore be a more fundamental adjustment. Now that the decision has been taken to leave, we need to make sure that we get the best possible access to the market so that the adjustment is as small as possible.

Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): What assurances can the Prime Minister give to businesses in my constituency on the future of regeneration projects that were funded through the EU and the jobs that are linked to them?

The Prime Minister: The budget money is set out from 2014 to 2020, and while we are members of the EU all that money will continue to be spent. The crucial decision will be for the next Government at the point of departure, which could be 2017, 2018, 2019 or later, then to give reassurances to the hon. Gentleman and his constituents about how that European money might be replaced with something else.

Several hon. Members rose—

Mr Speaker: If everybody is to get in, the questions now need to be much shorter. Otherwise, I warn people, they will not get in, and then they will be upset.

Michael Dugher (Barnsley East) (Lab): Does the Prime Minister agree that there are profound lessons to be learned at the Government Dispatch Box, and indeed at the Opposition Dispatch Box, about how we listen to and responsibly address the perfectly legitimate concerns that good, decent working-class people have about things like unskilled immigration, and the consequent self-evident alienation they feel from their current political leadership?

The Prime Minister: Immigration was a key issue in this campaign. I was hoping that the welfare restrictions I had negotiated would help to address that, because people in this country feel a very clear sense that someone should not have something for nothing—that people should pay in before they take out. But clearly that was not enough to reassure people. Also, there has been a lot of immigration from outside the EU over many, many years. People want to see the system brought under control and management, and that is what needs to happen. We need to have a rational debate about it—I think there is a quite a lot of common ground between the two parties—and that is what we should get on with.

Stewart Malcolm McDonald (Glasgow South) (SNP): The Prime Minister said that a leave vote was like unskilled immigration, and the consequent self-evident alienation they feel from their current political leadership?

The Prime Minister: As I have said, I think that one of the most difficult decisions for a future Government will be how to balance access to the single market—the best we can get—with decisions about immigration. I do not know what exact answer can be found. The answer I found was welfare reform, which was bold and brave because it meant reducing welfare payments to newly arrived migrants. Those changes will now not go ahead, so that extra draw will continue for the next couple of years, but we have to find an answer to that problem. In a way, that is the puzzle we have now been set by the British people, which is, “We want access to the single market and we recognise the economic argument, but you’ve got to do better when it comes to immigration.”

Peter Grant (Glenrothes) (SNP): In response to repeated questions from Members on the SNP Benches, the Prime Minister has attempted to reduce one of the most ancient and proud nations on this planet to the status of an English shire county. May I suggest to him that if he is going to keep doing that, the Leader of the Opposition will have no need to find a shadow Secretary of State for Scotland, because there will be no Scotland Office to run in this place?

The Prime Minister: That is not what I was doing. Scotland is an incredibly proud part of our United Kingdom and I believe profoundly in the importance of the Scottish nation, Scottish nationhood and all that it brings to our United Kingdom. I was simply making the point that when there is a UK-wide decision, not everybody gets what they want. [Interruption.]
Mr Speaker: Order. The Prime Minister is very robust and perfectly capable of looking after himself, but I do think that when he addresses this House, very comprehensively, and attends to all our questions, he is entitled to a courteous hearing and not to be persistently heckled.

Andy Slaughter (Hammersmith) (Lab): May I thank the Prime Minister and the Leader of the Opposition for their condemnation of yesterday’s racist attack on the Polish Social and Cultural Association in my constituency, which I visited this morning? The centre was built almost 50 years ago by the same generation of Poles who fought for this country in the battle of Britain, Monte Cassino and the battle of the Atlantic. Will the Prime Minister express his solidarity with the Poles and all our migrant communities, which are, in the wake of last Thursday’s vote, feeling under threat?

The Prime Minister: I am very happy to do that. As someone who used to live in the hon. Gentleman’s constituency, I know some of the Polish centres and restaurants quite well. They have made an amazing contribution to our country. He mentions the battle of Britain. We should always remember that—I do every time I go past the Polish war memorial—and we should say to those people, “You make a great contribution to our country. We should always remember that—I do every time I go past the Polish war memorial—and we should say to those people, “You make a great contribution to our country. You are welcome and you can stay, and these attacks are hateful.”

Stuart Blair Donaldson (West Aberdeenshire and Kincardine) (SNP): Young people across the UK voted for community cohesion generally, to stamp on these emboldened xenophobes?

The Prime Minister: I certainly think we should continue with the Prevent strategy and I am very happy to look at any ideas for things that we can do to strengthen our attack on hate crimes.

Helen Goodman (Bishop Auckland) (Lab): The farming community will be affected by this vote almost more than any other. It, too, was promised a continuation of subsidies and support. What reassurance can the Prime Minister give it that this will indeed be the case?

The Prime Minister: I can say what I said during the campaign, which is that as far as I am concerned, I want a living, working countryside where we continue to support our farmers. That was guaranteed as part of the EU up to 2020. What is going to happen now is that those farm payments will continue up until we leave and, at the point at which we leave, a new Government will have to make a decision. Certainly, I will be pressing for continued support for agriculture because, as I say, our countryside is as it is because it is farmed, and long may that continue to be the case.

John Woodcock (Barrow and Furness) (Lab/Co-op): Devastated citizens are unimpressed by party leaders who simply say that they did their best in this campaign. Will the Prime Minister take the opportunity at the end of this long session to say sorry for what he has done?

The Prime Minister: I made a pledge to hold a renegotiation and a referendum. I kept that pledge, and we carried it through in this House. I am sure that we have all got lessons to learn, but all I can say is that I threw absolutely everything into that campaign. I believed head, heart and soul in what I was saying. I was absolutely convinced of the merits of my case, and I did everything I could to get it across. But, in the end, if you hold a vote like that and you lose, you have got to accept the view of the British people. In my view, accepting it means that you have also got to accept that it is time for someone else to take the leadership of this great country forward, and that is why I have done what I have done. We have all got, I am sure, lessons we have learned and all the rest of it, but I am proud of the action that I took and the fact that I fought as hard as I did.

Mrs Madeleine Moon (Bridgend) (Lab): Forty-eight per cent. of the country wake up sick at heart and angry every day. Now, large numbers of people who actually voted for Brexit are also waking up sick and angry when they find out they were lied to about money for the NHS and about immigration. How does the Prime Minister hope to build unity in this country with a Government who may well include people who misled the British public in this referendum?

The Prime Minister: We now have to come back as one Government who have accepted the will of the British people to leave the European Union, and we have to find the best way for our country as we do that. That should be the focus. There is no point refighting the campaign. We have had the campaign and we have had the decision, and now we have to make it the best we can for our country.

Martin Vickers (Cleethorpes) (Con): May I take this opportunity to thank the Prime Minister for attending the national armed forces event in Cleethorpes on Saturday?
People were very appreciative, particularly after the events of the previous 48 hours, and it was particularly appreciated by the forces, both past and present.

Although the Prime Minister has clearly stated this, some of my constituents have nagging doubts about whether the Government will actually deliver Brexit. Perhaps it would be appropriate at the end for him to reaffirm yet again that that will happen.

The Prime Minister: First of all, I thank my hon. Friend for the warm welcome that he and the people of Cleethorpes gave me on Saturday. I have heard some of this stuff about hiding away after the referendum. I was on the stage on Armed Forces Day with representatives of our brave armed forces. There was an enormous crowd in Cleethorpes, a brilliant display and a very good fly-past, march-past and all the rest of it. A lot of people said, “You’ll never hold a referendum and you’ll never have a renegotiation; it will never actually happen.” All those things did happen, and now what needs to happen is that we obey the will of the British people. We are a democracy, and that is what we will do.

Mr Speaker: I thank all colleagues, but in particular the 110 Back Benchers who questioned the Prime Minister. Perhaps I can thank the Prime Minister for the enormous dignity, grace and good humour that he has displayed this afternoon in attending, in detail and at length, to our inquiries. I say very genuinely—I hope on behalf of the whole House—something that we do not say often enough: thank you.

5.38 pm

Tom Brake (Carshalton and Wallington) (LD): On a point of order, Mr Speaker. In this House, we fight passionately for the rights of British citizens, but leaving the EU impacts directly on EU citizens in the UK and UK citizens in the EU, whose rights, we have heard from the Prime Minister, are secure but only in the short term. Do you believe that the procedures of this House are fit for purpose when it comes to ensuring that the Government represent the interest and ensure the security of EU citizens in the UK and UK citizens in the EU effectively?

Mr Speaker: Forgive me, but I must say to the right hon. Gentleman that I do not think that there is a matter contained within that purported point of order that relates to the procedures of the House for the protection of the interests of European Union citizens. Notwithstanding the expression of unrivalled solemnity on the face of a former Deputy Leader of this House as he put that point of order to me, I am still struggling to come to terms with the notion that it is a point of order rather than a point of perfectly legitimate and understandable concern, frustration and anxiety. In so far as it is the latter, the right hon. Gentleman is a sufficiently experienced and accomplished parliamentarian to find several opportunities further to expand on his concerns in the days and weeks that lie ahead.

Pete Wishart (Perth and North Perthshire) (SNP): On a point of order, Mr Speaker. Have you been approached by the Leader of the House about the House’s business and even the Government’s legislative programme being reviewed, given the dramatic decision made by this country last week? [Interruption.] You were not listening to a word I said, Mr Speaker, so shall I ask again?

Mr Speaker: As a courtesy, I should hear the hon. Gentleman again. I am not sure the point will improve with repetition, but we can try. I beg his pardon for listening to someone else at the same time. Let him say it again. It was something to do with the Government’s legislative programme, but I am sure it is not tendentious.

Pete Wishart: Let us see whether I can improve on my point of order. Have you been approached by the Leader of the House about an urgent statement so that we can review the House’s business and even the Government’s legislative programme, given the dramatic decision that was taken last week?

Mr Speaker: The short answer to that is no. There will be the opportunity of business questions on Thursday, an occasion with which the hon. Gentleman, in view of his Front-Bench responsibilities, is very familiar, but on the question whether I have had any indication about a business statement before then, or an intended revisiting of the business of the House or of the legislative programme, the answer is no.

Ian Blackford (Ross, Skye and Lochaber) (SNP): On a point of order, Mr Speaker. It has been brought to my attention that in a Westminster Hall debate about
broadband that I attended and spoke in on 24 June 2015, I sadly failed to declare a financial interest, although my notes show that I wished to do so. I want to take this opportunity to correct the record, and to apologise profusely to the House for my error in not doing so on 24 June last year.

Mr Speaker: I am very grateful to the hon. Gentleman for giving me notice that he wished to raise this matter. I also appreciate, as doubtless will the House, that he has now, albeit somewhat belatedly, put the record straight. Let me thank him on the principle of “better late than never”.

Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP): On a point of order, Mr Speaker. This morning, the Chancellor indicated two contrary views. One was that we face great turbulence in the immediate days and weeks, and the other was that he would postpone the emergency Budget until after the Tory leadership crisis has been resolved. Much of what we face during this crisis will have an impact on the Government’s finances, including issues covered by the Finance Bill. Should we not have greater clarity before we undertake scrutiny of this Finance Bill?

Mr Speaker: If the matters of which the hon. Gentleman wishes to treat are contained in the Bill, he may very well have a perfectly good opportunity to air his concerns and undertake his scrutiny today. I am very grateful to him for giving me notice of this point of order. It is perfectly clear that the Government intend to proceed with the Committee stage of the Finance Bill today, and the proceedings will be taken in accordance, as they must be, with the programme order agreed by the House on 11 April. Although the hon. Gentleman is a new Member, he is a very accomplished and experienced person with much life experience. [Laughter.] I mean that he is a person of the world—a cerebral individual. Although debate must focus on the amendments selected, I have no doubt that he will find ways to weave into his contribution some reference to the general concerns that he has just ventilated. I am sure that he will find his own salvation. I have every confidence in him, and he should have every confidence in himself. We will leave it there for now.

FINANCE BILL (WAYS AND MEANS) (TAXABLE BENEFITS (APPLICATION OF CHAPTERS 5, 6 AND 7 OF PART 3 OF THE INCOME TAX (EARNINGS AND PENSIONS) ACT 2003))

Resolved,

That—

(1) The provision made by Resolution 4 of the House of 22 March 2016 (taxable benefits (application of Chapters 5, 6 and 7 of the Income Tax (Earnings and Pensions) Act 2003)) be varied and supplemented as follows.

(2) In section 97 of the Income Tax (Earnings and Pensions) Act 2003 (living accommodation to which Chapter 5 applies), for the subsection (1A) inserted by paragraph (2) of that Resolution substitute—

“(1A) Where this Chapter applies to any living accommodation—

(a) the living accommodation is a benefit for the purposes of this Chapter (and accordingly it is immaterial whether the terms on which it is provided to any of those persons constitute a fair bargain), and

(b) sections 102 to 108 provide for the cash equivalent of the benefit of the living accommodation to be treated as earnings.”

(3) In section 114 of that Act (cars, vans and related benefits to which Chapter 6 applies), for the subsection (1A) inserted by paragraph (3) of that Resolution substitute—

“(1A) Where this Chapter applies to a car or van, the car or van is a benefit for the purposes of this Chapter (and accordingly it is immaterial whether the terms on which it is made available to the employee or member constitute a fair bargain).”

(4) In section 120 of that Act (benefit of car treated as earnings)—

(a) in subsection (2) after “case” insert “(including a case where the cash equivalent of the benefit of the car is nil)”, and

(b) after subsection (2) insert—

“(3) Any reference in this Act to the cash equivalent of the benefit of a car is treated as the employee’s earnings for a year by virtue of this section includes a case where the cash equivalent is nil.”

(5) In section 154 of that Act (benefit of van treated as earnings)—

(a) the existing text becomes subsection (1) of that section, and

(b) after that subsection insert—

“(2) In such a case (including a case where the cash equivalent of the benefit of the van is nil) the employee is referred to in this Chapter as being chargeable to tax in respect of the van for that year.

(3) Any reference in this Act to a case where the cash equivalent of the benefit of a van is treated as the employee’s earnings for a year by virtue of this section includes a case where the cash equivalent is nil.”

(6) In section 173 (loans to which Chapter 7 applies) for the subsection (1A) inserted by paragraph (5) of that Resolution substitute—

“(1A) Where this Chapter applies to a loan—

(a) the loan is a benefit for the purposes of this Chapter (and accordingly it is immaterial whether the terms of the loan constitute a fair bargain), and

(b) sections 175 to 183 provide for the cash equivalent of the benefit of the loan (where it is a taxable cheap loan) to be treated as earnings in certain circumstances.”

(7) The amendments made by this Resolution have effect for the tax year 2016-17 and subsequent tax years.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—(Mr Gauke.)

FINANCE BILL (WAYS AND MEANS) (TRAVEL EXPENSES OF WORKERS PROVIDING SERVICES THROUGH INTERMEDIARIES)

Resolved,

That—

(1) The provision made by Resolution 8 of the House of 22 March 2016 (travel expenses of workers providing services through intermediaries) is varied as follows.

(2) In section 339A of the Income Tax (Earnings and Pensions) Act 2003 inserted by paragraph (1) of that Resolution, in subsection (6), for paragraph (a) substitute—

“(a) in section 51(1)—

(i) disregard ‘either’ in the opening words, and

(ii) disregard paragraph (b) (and the preceding ‘or’), and”,

(3) The amendment made by paragraph (2) has effect in relation to the tax year 2016-17 and subsequent tax years.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—(Mr Gauke.)
Finance Bill

(Clauses 7 to 18, 41 to 44, 65 to 81, 129 to 136 and 144 to 154, Schedules 2, 3, 11 to 14 and 18 to 22 and certain new Clauses and new Schedules)

[1ST ALLOCATED DAY]
Considered in Committee

[MRS ELEANOR LAING in the Chair]

Clause 7

TAXABLE BENEFITS: APPLICATION OF CHAPTERS 5 TO 7 OF PART 3 OF ITEPA 2003

5.45 pm

The Financial Secretary to the Treasury (Mr David Gauke): I beg to move amendment 22, page 14, line 7 to 10 and insert—

“omit”, insert discuss the following:

“except in the case of a low emissions vehicle,”.

With this it will be convenient to add—

“(1A) Where this Chapter applies to any living accommodation—

(a) the living accommodation is a benefit for the purposes of this Chapter (and accordingly it is immaterial whether the terms on which it is provided to any of those persons constitute a fair bargain), and

(b) sections 102 to 105 provide for the cash equivalent of the benefit of the living accommodation to be treated as earnings.”"

The First Deputy Chairman of Ways and Means (Mrs Eleanor Laing): With this it will be convenient to discuss the following:

Government amendments 23 to 26.

Clause stand part.

Clauses 8 and 9 stand part.

Amendment 2, in clause 10, page 15, line 29, after “omit”, insert

“, except in the case of a low emissions vehicle,”.

Amendment 3, page 15, line 38, at end add—

“(3) For the purposes of this section, a “low emissions vehicle” means any car first registered on or after 1 April 2017 which emits 0.06g or less of nitrous oxides per kilometre.”

Clauses 10 to 12 stand part.

That schedule 2 be the Second schedule to the Bill.

Clause 13 stand part.

Government amendment 27.

Clauses 14 and 15 stand part.

Amendment 180, in clause 16, page 24, line 35, at end add—

“(2) The Chancellor of the Exchequer shall undertake a review of the impact of the abandonment by HMRC of its valuation check service for Small and Medium-sized Enterprises, including its associated impact on employee share ownership schemes, and report to Parliament within six months of the passing of this Act.”

Clause 16 stand part.

Government amendment 28.

That schedule 3 be the Third schedule to the Bill.

Clauses 17 and 18 stand part.

New clause 1—Review of income tax treatment of workers providing services through intermediaries—

“The Chancellor of the Exchequer must conduct a strategic review of the impact on workers defined as providing services through intermediaries of their treatment for income tax purposes, including the differential impact on different types of worker, and must publish the report of the review within six months of the passing of this Act.”

New clause 3—Tax treatment of workers employed through intermediaries—

“The Chancellor of the Exchequer shall, within six months of the passing of this Act, publish a report on the impact of the current system of employment through intermediaries on the treatment for tax purposes of the employment income of workers employed through an intermediary or umbrella company, including the role of intermediaries and umbrella companies.”

New clause 10—Employee share schemes: value for money—

“The Chancellor of the Exchequer shall, within six months of the passing of this Act, publish a report giving HM Treasury’s assessment of the value for money provided by each type of employee share scheme.”

Mr Gauke: It is a great pleasure to speak on the Government measures in this group. I will say at the beginning of my remarks that, as I mentioned to Mr Speaker earlier, and as you will have no doubt noted, Mrs Laing, I am somewhat incapacitated by a back strain. I will of course take interventions, but with your permission, I will remain standing during those interventions—bobbing up and down will be a little discomforting. May I have your permission?

The First Deputy Chairman: Please./[Interruption./] No, do not sit down. I was about to say that if the Minister had not made that point I was going to offer my permission. Having once been in the dreadful position of standing at that Dispatch Box on crutches with a broken leg, I know that although it is possible to stand still, going up and down is exceedingly difficult. I am sure the whole House has every sympathy for the Minister and will concur in giving him permission to remain on his feet.

Mr Gauke: Thank you, Mrs Laing. I am grateful for those remarks.

The measures I will outline ensure the simple, clear and fair tax treatment of employment income and benefits, strengthen incentives to choose the cleanest cars and vans, and ensure that those who have used artificial arrangements to avoid paying tax pay their fair share. Given the number of measures selected for debate, I will briefly set out how I will speak on them today. I will first discuss clauses 8 to 11, concerning company car taxation and the van benefit charge. I will then outline clause 7 and clauses 12 to 17, which address disguised remuneration schemes. Finally, I will outline clause 18, which addresses disguised remuneration schemes.

I turn first to clauses 8 to 11. Clause 8 will increase the appropriate percentage for conventionally fuelled cars by three percentage points in 2019-20; it will also widen the tax advantage of ultra-low emission cars over conventionally fuelled cars in 2019-20 compared with previously announced plans. As a result of the changes, in 2019-20 a basic rate taxpayer driving a popular ultra-low emission company car will be £113 better off.
The update applies to a small number of rare company cars. It is estimated that exposure to nitrogen dioxide is linked with 23,500 deaths annually in the UK, costing approximately £13.3 billion.

As was announced in the autumn statement in 2015, clause 10 retains the three percentage point supplement for diesel company cars until 2021. That will support the UK’s transition from diesel cars to cleaner, zero and ultra-low emission cars. As a result, a basic rate taxpayer with an average ultra-low emission company car will save an additional £150 in 2016-17, compared with an employee who has an average diesel company car.

Clause 11 retains the van benefit charge for zero-emission vans at 20% of the rate paid by conventionally fuelled vans for 2016-17 and 2017-18, rather than increasing it to 40% and 60% as currently planned. That means that a basic rate taxpayer who drives a zero-emission van will save £126 in 2016-17 and £258 in 2017-18. Together, clauses 8 to 11 will incentivise business and employees to take up the cleanest cars and vans. That will help to ensure that the market for those new technologies becomes established in the UK, and to support the UK’s carbon emission and air-quality targets.

In anticipation of what we will hear from the Opposition, let me turn to amendments 2 and 3 to clause 10. The amendments would require the exemption of diesel cars from paying the supplement if they achieve the same level of nitrogen dioxide emissions as petrol cars. I appreciate that hon. Members want to incentivise people to purchase the cleanest cars, but the amendments would only introduce confusion and uncertainty. They are not linked to the wider regulatory programme to achieve the latest air quality standards, even when cars are driven on our roads. Clause 10 retains the supplement until 2021 when those new standards will be mandatory for all new cars. That approach is transparent and easy to understand, and it will give consumers confidence that all new diesel cars are comparable to petrol cars.

Our approach incentivises people to purchase the cleanest cars, and in anticipation of what will be said later, I hope that Labour Members will not press the amendments to a vote.

Let me consider those clauses that clarify and simplify the tax treatment of income and certain benefits, and ensure fairness in the tax system. Clause 7 will clarify how the cash equivalents of certain taxable benefits are calculated, and ensure that fair bargain does not apply to those taxable benefits in kind where the level of computing the value of the benefit is set out in statute. The Government have made minor technical changes in amendments 22 to 26, which ensure that the legislation works as intended.

Clause 12 and schedule 2 will provide clarity that all income from sporting testimonials for an employed or previously employed sportsperson will be taxable. However, we are aware that careers in sport can be short, so we have also introduced an exemption for the first £100,000 of income received from a sporting testimonial that is not contractual or customary. The Government believe that that is a fair compromise, and the vast majority of employed sportspersons who have testimonials will not be impacted. Clause 13 introduces a statutory exemption for certain benefits costing up to £50 that employers provide to their employees. That will simplify the tax treatment of those benefits and reduce the administrative burden for employers. To ensure that the exemption is not misused, a £300 annual cap will apply in certain circumstances. That sensible and simplifying measure will reduce burdens on employers and HMRC alike.

Clause 14 will ensure that no individual or business can obtain an unfair tax advantage through claiming tax relief on home-to-work travel and subsistence expenses. It is an established principle in the UK that people are not able to claim tax relief on the cost of ordinary commuting, and the vast majority of workers are not able to do so. Individuals who are engaged through intermediaries—such as umbrella companies and their employers—currently benefit from that relief and the cost of commuting from home to work, simply because of the way they are engaged to work.

Kirsty Blackman (Aberdeen North) (SNP): Has the Minister considered whether this measure will have a disproportionate impact on rural communities where travel is much more expensive and sometimes an overnight stay is necessary when undertaking those roles?

Mr Gauke: I will say a little more about clause 14, but I believe that this is a matter of fairness. For the vast majority of people, home-to-work costs do not have tax relief, and it is right to apply the same rules across the board. If there is a difference in treatment just because an arrangement is made through an umbrella company or other form of intermediary, clause 14 will put those workers on the same terms as everybody else. That underpins the Government’s commitment to ensure that the tax system is fair and treats all individuals who are doing the same thing in the same way.

Stewart Hosie (Dundee East) (SNP): I understand the Minister’s argument, but this measure will offer a disincentive to many people who have chosen to go down the contracting or self-employed route. Does he share our concern that that may act as a disincentive to entrepreneurship, given that being a contractor or self-employed could be the first step to forming another business and employing other people?

Mr Gauke: I understand where the hon. Gentleman is coming from but I do not share his concerns. It does not seem justifiable that simply by arranging affairs in a particular way through an intermediary, somebody should benefit from tax relief for travel-to-work costs in a way that someone else does not. All Members recognise how important it is that we have an entrepreneurial economy, and that the importance of the self-employed in our economy is considerable. It does not seem, however, that there is a strong case for saying that a difference in tax relief should apply, which is why we have come forward with these measures. In recent years there has been a substantial increase in the number of workers engaged through an employment intermediary, and while many play a legitimate role in the labour market—some market themselves—at least in part—on the basis that they allow individuals and businesses to maximise their income through claiming tax relief on home-to-work travel expenses. The increase in the use of intermediaries means that large numbers of individuals are claiming tax relief that the majority of workers cannot claim, even when they hold very similar jobs.

We estimate that this change will save the general taxpayer more than £150 million this year, and more...
than £600 million by 2019-20. That will ensure fairness for all individuals and businesses, regardless of the structure through which workers are employed. In that context, amendment 27 is a technical amendment to correct a point in the original draft and ensure that the legislation fully reflects the Government’s original announcement.

New clauses 1 and 3—perhaps I may anticipate the arguments that we will hear from the Scottish National party in a moment—would require the Chancellor to publish a report on the impact on workers who provide services through intermediaries, and their treatment for tax purposes, within six months of the Bill being enacted. Those reviews would be completely unnecessary because those who provide services through intermediaries are taxed as either employed or self-employed. Some others operate as owner-directors of their own limited companies, and the tax treatment of the income and expenses of those individuals will depend on their employment status for tax purposes.

The Office of Tax Simplification carried out a review that considered the employment status and taxation of individuals working through intermediaries, and it published its report in March 2015. The Government accepted 17 of the 27 recommendations, and committed to consider a further six more. More recently, the Government have received the OTS’s review of small companies and accepted, or will consider further, nearly all its recommendations, including the recommendation that the OTS continues to develop the design of a look-through system of taxation for small businesses to simplify their tax affairs, and a new simple business model that would protect the assets of the self-employed. Following these recommendations, the Government have now formed a cross-government working group on employment status. The group will examine the advantages and challenges of an agreed set of employment status principles and a statutory employment status test. Given the volume and range of work done in this area recently, I would argue that an additional review is unnecessary. I therefore urge Members to reject new clauses 1 and 3.

6 pm

Stewart Hosie: We understand the argument the Government are making against a review, but given that the Minister suggests that this will save the taxpayer—or, to put it another way, cost individuals £600 million over the lifetime of this Government—will he be prepared at least to concede that should the tax yield go up dramatically, taking yet more from the self-employed and contracting community, he might want to revisit the decision he is taking today?

Mr Gauke: No, I do not think the Government will be persuaded by that. Were that to be the case, it would suggest that the use of tax relief in these circumstances was even more widespread than we had anticipated. The problem we face is one of fundamental unfairness. I make no criticism of those making use of intermediaries in these circumstances—they are making use of the law as it stands—but it is an unfair outcome. Essentially, where two people are performing identical roles, one is able to gain the benefit of tax relief and the other is not simply because of the way in which they have structured their arrangements. I believe the approach we have taken in this clause is the right one.

Clause 15 makes changes to allow for the extension of voluntary payrolling to include non-cash vouchers and credit tokens. The change will enable businesses to benefit from reduced reporting obligations to HMRC and provide a simplified system for employers. Clauses 16 and 17 and schedule 3 make a number of changes to simplify and clarify the rules for employment-related securities and options. Employment-related securities and securities options are commonly used by companies to reward, retain or provide incentives to their employees. Remuneration in the form of shares would generally be liable to income tax and national insurance contributions. However, if they are rewarded under one of the four types of tax advantage share schemes, the shares acquired are exempt from income tax and national insurance contributions.

Share-based reward programmes are greatly valued by both companies and employees. The Government want to make sure the relevant legislation is as simple and clear as possible. To that end, clause 16 introduces schedule 3, which builds on the Government’s response to the OTS report on employee share schemes by simplifying and clarifying this area of tax legislation. In addition, clause 17 puts beyond doubt the tax treatment of non-tax advantaged securities options, given some uncertainty in the current legislation.

The Government are introducing amendment 28 to schedule 3 to ensure that the trading activities requirements to receive the tax advantages of an enterprise management incentive scheme will continue to apply where a company is controlled by an employee-ownership trust.

If I may anticipate what we are likely to hear, and before I move on to clause 18, I will briefly address amendment 180 and new clause 10, which relate to clause 16. Amendment 180 proposes a review of the impact of the withdrawal by HMRC of its valuation check service for small and medium-sized enterprises, including associated impacts on employee share ownership schemes. This is unnecessary. HMRC continues to operate a service for employee shareholder status and the tax advantage schemes most relevant to SMEs. HMRC has only withdrawn valuation checks for income tax and PAYE that are not part of these recognised employee ownership schemes. HMRC was considering valuations for less than 0.05% of the relevant SME population. As such, the service added little value and was seen as providing poor value for money for the taxpayer. I therefore hope the House will reject amendment 180.

New clause 10 proposes that within six months of the passing of the Act the Chancellor should publish a report giving an assessment of the value for money provided by each type of employee share scheme. An HMRC-commissioned report conducted by Oxera considered the effect of tax advantage employee share schemes on productivity. This is publicly available. Owing to the difficulty of drawing conclusive outcomes from such studies, in 2012 the Office of Tax Simplification recommended that it would not be a good use of taxpayer money to produce further reports on the links between share ownership and productivity. As with all reliefs, however, the Government will continue to keep these schemes under review and will continue to publish
regular statistics on the estimated take-up and costs of each scheme. For these reasons, I urge Members to reject new clause 10.

Let me conclude my opening remarks by addressing clause 18. The Government want to ensure that companies and individuals who have used, or continue to use, artificial arrangements to disguise their income, pay their fair share. These avoidance schemes involve income being funnelled through a third party, with the money often then given to the individual in the form of a loan that is never repaid. In 2011, the coalition Government successfully introduced new legislation to tackle the schemes in use at that time. Many of those who used the schemes before 2011 have still not settled. In addition, the tax avoidance industry has been selling new schemes that are even more artificial and contrived. At Budget 2016, the Government announced changes to address these issues. Clause 18 is the first part of that package.

Clause 18 addresses one type of these schemes by disallowing a relief in the current rules that the schemes exploit where there is a tax avoidance motive. It also withdraws a transitional relief and makes three minor technical clarifications to the current rules to ensure they work as Parliament intended. The reforms make it clear that everyone must pay their fair share. I will not take up any more time for the moment.

Rob Marris (Wolverhampton South West) (Lab): It is a pleasure to serve under your chairmanship, Sir Roger.

I will follow what the Minister helpfully did by giving a preview of where I am going, as I think that might help the Government, but I will do it seriatim numerically. I want to probe clause 7 a little. We broadly support clauses 8 to 11, which relate to vehicles, although we have tabled two amendments to them. The Minister helpfully—in terms of procedure, if not policy—indicated that the Government were not minded to accept amendments 2 and 3. If the Government, in spite of my silver tongue, maintain that position, I will in due course seek to press amendment 2 to Division. We broadly support clauses 12 and 13. We also broadly support clause 14, on travel expenses for workers, but I wish to probe the Government on it and ventilate some issues. We broadly support clause 15. I want to run a preview of where I am going, as I think that might help the Government, but I will do it seriatim numerically. I want to probe clause 16, on employee share schemes, around the block. There are a number of share option schemes under various guises and the situation is arguably getting a little out of control. The Opposition broadly support clauses 17 and 18.

Clause 7 relates to taxable benefits. It seeks to amend 2003 legislation to clarify the concept of a fair bargain. This is, as I understand it—I am not an accountant—where an employer provides some kind of benefit in kind, which is in some circumstances provided at a cost to the employee and in some circumstances is not. Where benefits of goods or services are provided at a cost, HMRC wishes to know whether the cost of the benefits provided is below market rate. Clause 7 goes to that issue, but it appears to cover vans and cars as well as other things and of course we will be dealing with vans and cars in other clauses. As the Minister has a bad back, I will try to avoid putting him in a situation where he feels that he has to intervene. I have every sympathy with him as I have suffered from a bad back for decades. If he catches your eye, Sir Roger, when we come to closing this part of the Committee proceedings, I hope that he will be able to explain and differentiate for those of us who are not accountants how vans and cars come into the benefit-in-kind provisions under clause 7. Having had a company car for many years with two different employers, I understand how they come in under subsequent clauses—that is not to say that I know the whole regime, but I am broadly familiar with that territory—but not under clause 7. Will the Minister tell us, therefore, to what extent the Treasury has found that there has been a misuse of the original rules, thereby necessitating the clarifications under clause 7?—Government amendments 22 to 26? The explanatory notes, which the Minister will know are my lodestar in these matters, refer to “uncertainty”. I hope the Minister can explain from whence that uncertainty comes, so that we can be a little clearer on that.

I will now come on to meatier matters on cars and vehicles. We are all aware that the use of the tax regime to encourage certain behaviours and discourage others is well known to have an effect when it comes to the purchase and use of vehicles, unlike in some other areas where the efficacy or otherwise of tax reliefs is not so clear. As I look around the Chamber, I can see that there are not many Members present who will remember the campaign for lead-free petrol, but I remember it and supported it. In the bad old days, lead was added to petrol as a mechanism for increasing its octane rating and therefore its power output. Initially, when the excise regime was the same for leaded and unleaded petrol, unleaded cost more. The then Conservative Government, under some pressure from the campaign for lead-free petrol and others, wisely changed the excise regime so that unleaded petrol at the pump, with a lower excise duty than leaded petrol, cost less, which meant that many motorists made the switch within a period of about two years. That was achieved by using excise levers to change behaviour in the use of vehicles.

In recent years, we have also seen the explosion in the United Kingdom of the purchase and use of diesel vehicles. That was started under a Labour Government who were trying to cut CO₂ emissions, because, mile for mile, diesel engines generally emit lower CO₂ per mile driven. That policy succeeded, but it was always contradictory, because there was also a 3% loading—in other words more tax payable—for those who had a diesel-powered company car in contradistinction to a petrol-powered company car.

Clause 8 increases quite markedly the percentage of the purchase price, which is then counted as taxable income for somebody who is provided with a company car. For low-emission vehicles, or those with 76 to 94 grams of CO₂ per kilometre—I hope that, when we leave the European Union, we will not revert to imperial—the appropriate percentage goes from 19% to 22%. Under clause 8, the range goes up 3% each time, with a delay, as the Government have announced, for two years. Broadly, that looks to us like a tax-raising measure—there is nothing wrong with that as Her Majesty’s Revenue and Customs is about levying taxes so that the Government have sufficient income to provide the service that our constituents want.

6.15 pm

I hope the Minister will be able to give us an estimate of how much the increase in those bandings in clause 8 will bring to the Exchequer and tell us whether it will have any effect, positive or negative, on the types of
vehicles purchased. Most people—I concede not everybody—would agree that a vehicle purchased with lower CO₂ emissions per kilometre is generally less dirty and more socially acceptable than a vehicle with higher CO₂ emissions per kilometre.

As I understand it, clause 9 is, in part, a correction of problems in the Finance Act 2015—I confess that I am not sure whether it was the second Finance Act of that year—in relation to vehicles that cannot emit CO₂. For most of us, that probably means electric cars as they are the most common vehicles, although there may be other types of vehicles. As it is a correction, there will not be the two-year lead-in that the Government, generally and quite properly, wish to have so that manufacturers and purchasing managers for fleet operators can plan. Will the Government tell us a bit about how that error crept in? I know that these things happen, but a little explanation of how the error arose would be helpful. I think provisions were overlooked and omitted in the 2015 Act, which led to this correction in clause 9.

Clause 10 gets us on to the much meatier issue of the appropriate percentages for diesel cars. I think that it was always the case—I may be corrected on this—that there was an additional 3% to be paid as a benefit-in-kind assessment for those who had diesel-powered company cars in contradistinction to petrol-powered ones. As I understand it, the Government had enacted a provision abolishing that 3% loading—I am not sure why because I was not in the House then—and clause 10 abolishes the abolition, so that the 3% loading continues. Overall, that seems to Labour to be a good thing to do given the increasing evidence that is emerging of the particularly deleterious effect of diesel vehicles—not just diesel cars but many, many commercial vehicles which, because of their size and weight, tend to do far fewer miles to the gallon. That is a particular problem in certain parts of the country as it has an effect on air quality.

Let me talk about the number of vehicles that this measure will affect. The Library has been very helpful in this matter. As always, I am most grateful to my excellent researcher, Imogen Watson, who has done a huge amount of work on this with a great deal of help from the Library. The latest figures that the Library could find—any mistakes that I make at the Dispatch Box are of my making—show that about 313,000 company cars are replaced each year, but those figures go back to 2012-13. That is around 14% of total car sales, which is a considerable drop compared with 30 years ago when it was nearer 50%. Because of the ratcheting of the tax regime on company vehicles, however, that proportion has lessened.

As we now know, diesel cars are particularly noxious, and there are, in fact, standards—Euro 6—that came in for new type approvals from September 2014 and for all new cars from September 2015. When sold in the UK, new vehicles have to be compliant with Euro 6, unless a subsequent Government decided to change that—and I rather suspect they would not. Regardless of the UK leaving the EU, one would expect Euro 6 to continue to apply in this country. If a Euro 7 were to be introduced by a post-Brexit European Union, it is likely, I suggest, that the UK would then comply with that, because our manufacturers would have to do so in order to sell in the continental market. At the moment, as I say, we are on Euro 6. The standards of Euro 6 are set out in terms of grams per kilometre. I confess that I do not understand all the science, but while the metrics for petrol and diesel are the same under Euro 6, the targets that the vehicles have to reach are somewhat different.

The 3% surcharge for loading, which the Government wish to retain and we support, will somewhat discourage fleet managers from allowing company cars to be diesel, even though those cars will get more miles to the gallon. I believe that the Minister referred to an estimate of 23,500 deaths per year brought about by poor air quality—he will correct me if I am wrong. No one knows for sure, but I see the Minister nodding helpfully. That is a shocking figure. From memory, I believe the number of road traffic collision fatalities each year to be in the order of 2,750—I stand to be corrected again, but that is the rough order of magnitude—so it is apparent that that is not much more than a tenth of the premature deaths caused by air quality.

To the interested observer, it appears that the UK has quite rightly invested huge amounts in passive and active safety to cut down on the number of road traffic collisions and on their severity—whether or not there are fatalities—yet when it comes to air quality, while we have been a member of the EU, we have been in breach of EU legislation. In this case, the EU does make rules for the UK, and we have been in breach of these air quality standards for years.

The World Health Organisation has ambient air quality guidelines, with which I am sure the Minister and his ministerial colleague are intimately familiar, that are based on micrograms per cubic metre. There are two ways of measuring these standards: one is the annual mean and the other is the 24-hour mean, which shows the peaks. There are two broad categories of particles about which there is concern: PM10, which is particles of less than 10 micrometres in diameter, and PM2.5, which—surprise, surprise—is for particles of less than 2.5 micrometres in diameter. These are very small, and it is these fine particles of less than 2.5 that are considered by many to be much more damaging to health than the PM10 particles. They are found in dust, dirt, soot, smoke and liquid droplets.

Without detaining the Committee at great length, let me explain that a large number of cities in England, Wales and Scotland—I have no figures before me for Northern Ireland—have air quality levels that breach the WHO guidelines on the annual mean. The annual mean recommendation for PM2.5, the smaller particles, is less than 10 micrograms per cubic metre. In Birmingham, just down the road from my beloved constituency in Wolverhampton, it is 14 micrograms—well above the 10 limit. In Leeds, it is 15; in London 15; in Stoke-on-Trent, where I used to work and just up the road from Wolverhampton, 14; and in Glasgow, I am afraid, it is 16—well above the 10 limit. This is very bad news.

Frankly, London has a shocking record. The former Mayor of London, now the hon. Member for Uxbridge and South Ruislip (Boris Johnson), bears considerable responsibility for not having done enough in this regard. In January 2016, London breached the annual air quality limit in eight days. If we think of this as an annual allowance, London used it all up and more within eight days of the start of the year. Under EU rules, sites are allowed to breach the hourly limits of 200 micrograms of nitrous dioxide per cubic metre of air 18 times in a year. Call these what we will—I think they are legislative guidelines from the EU—they allow for certain peaks,
exceptional circumstances and so forth, but having 18 of them in eight days means that they were not exceptional circumstances for the city of London, but everyday circumstances. During that particular period, this was happening on average more than twice a day.

We have already mentioned the 23,500 estimated annual premature deaths, but there are huge financial costs as well. Of course the loss of life will be the key indicator for all hon. Members, but the costs are estimated at between £15 billion a year on the basis of Scottish Government sources and £20 billion a year in a report in February this year by the Royal College of Physicians and the Royal College of Paediatrics and Child Health. It is now estimated that England’s air and water are sufficiently polluted in 96% of sensitive habitats to pose risks to their ecosystem. This is a cost to farmers as well because of the ground level ozone produced by nitrogen oxides reacting with other atmospheric pollutants to lessen crop yields. This is a huge problem.

Amendments 2 and 3 are designed simply to address this problem in a small way. They deal with company cars rather than all cars and they are intended to encourage manufacturers to act in a certain way. Under the amendments, if a vehicle with a diesel engine meets the same Euro 6 standard as a petrol engine, the same tax regime should apply to it. Dozens and dozens of hon. Members who were, of course, paying attention earlier, will remember that I referred to Euro 6, which used the same measurement yardsticks for both types of vehicle but provided different points on them for diesel and petrol vehicles. For carbon monoxide, for example, it stipulates 1 gram per kilometre for petrol and 5 for diesel, while for nitrous oxide emissions—the key problem—it is 0.06 for petrol and 0.08 for diesel. As I understand it, the PM2.5 or less particles principally come from such emissions.

The amendments thus provide a very small but important and symbolic step for the Government, who could move towards lessening the appalling—and, arguably under EU rules—illegal air quality in the 38 cities of the United Kingdom that are in breach of the WHO’s recommended regulations for PM2.5 levels, and in the 10 UK cities that are in breach of the PM10 WHO guidelines. This is literally killing people, so I urge the Government to rethink this measure. Accepting the amendments, if a vehicle with a diesel engine meets the same Euro 6 standard as a petrol engine, the same tax regime should apply to it. Dozens and dozens of hon. Members who were, of course, paying attention earlier, will remember that I referred to Euro 6, which used the same measurement yardsticks for both types of vehicle but provided different points on them for diesel and petrol vehicles. For carbon monoxide, for example, it stipulates 1 gram per kilometre for petrol and 5 for diesel, while for nitrous oxide emissions—the key problem—it is 0.06 for petrol and 0.08 for diesel. As I understand it, the PM2.5 or less particles principally come from such emissions.

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overnight costs and travel costs of workers who are employed by various organisations, because people are very inventive. However, it is quite common for people working on building sites as skilled workers hundreds of miles from home to have been engaged through an agency, or to be self-employed, and, if they have been engaged through an agency, to have their travel expenses and the cost of their overnight accommodation paid week by week. Clause 14 is an attempt to clarify and clamp down on what the Government consider to be a misuse of the arrangements, or, if not a misuse, a lack of equality between those who might be described as “true” employees and non-employee workers.

I declare an interest as a proud member of the trade union Unite, which is affiliated to the Trades Union Congress, as is the Union of Construction, Allied Trades and Technicians, which is strong throughout Britain but particularly in Scotland. UCATT believes that the Government’s estimate that 430,000 workers will be affected by the changes in the Bill is, in fact, a gross underestimate, and that when travel expenses and overnight accommodation become assessable for the purposes of income tax or national insurance, some of its members in the construction trade who are employed by umbrella companies could be more than £3,300 a year worse off.

Having met representatives of the Freelancer and Contractor Services Association, I wrote to the Financial Secretary twice about its proposals, and he helpfully replied on both occasions. I thank him for that, but I still think that the Government ought to have another look at the position. The FCSA made three proposals. The first concerned a radius allowance: a person’s main address would have to be a certain distance further away from the place of work than the average commute, which, apparently, is 16.7 miles a day. I do not know whether you were aware of that, Sir Roger; I was not.

The second concerned the 24-month rule, which is the yardstick according to whether an employment position is regarded as temporary. The third proposal would, I suppose, hurt some people, including, possibly, politicians: the removal of food and drink costs from eligibility for subsistence expenses. We did that in this place some time, and the food and drink was removed from what used to be called the additional costs allowance, and quite right too.

The Scottish National party has tabled new clause 1, and my hon. Friends and I have tabled new clause 3. It will not surprise Members to learn that I prefer new clause 3. While both new clauses call for a review and an assessment by the Chancellor of the Exchequer of this whole area of the tax system, new clause 3 also includes umbrella companies, which, arguably, are a growing problem or, at least, a growing phenomenon.

Labour supports clause 15, which deals with taxable benefits and PAYE. Clause 16 deals with employee share schemes, of which there are currently about five. The Minister helpfully referred to the issue of productivity. One of the justifications for having employee share ownership schemes is that they will encourage people to work harder for their company and be more committed to it. Of course we want people to be committed to the company where they work hard, unless they have a terrible employer.

The Minister cited the Office of Tax Simplification earlier. I have here a report from the OTS—I confess I cannot recall the date of the report but I think it was probably 2012—which states:

“Interestingly, despite the fact that increased productivity has been repeatedly used by previous governments as a rationale for using share schemes, none of the companies or advisers we spoke to told us that they used a share scheme primarily as a way to improve productivity, albeit some accepted that this could be a by-product of participation.”

In a written parliamentary reply on 1 April this year, the noble Lord O’Neill of Gatley basically said that the Government did not know the answer because it was all a bit complicated to work out. I appreciate that that is the case, but I say this in the context of the National Audit Office report on the roughly 1,200 measures that could be called tax reliefs. It found that only in the case of about 300 of them did the Government have any idea whether they had the effect on behaviour that they were designed to have. Employee share ownership schemes might be socially worth while but they are quite costly, and whether they have any positive effect on productivity is at best unclear. I think the Government ought to look into that some more.

New clause 10 relates to the value for money of employee share schemes. Given the uncertainty as to the efficacy or otherwise of such schemes, the new clause calls for a report from the Chancellor of the Exchequer giving the Treasury’s assessment of the value for money provided by each type of employee share benefit scheme. I hope that the Minister will accept the new clause and, if not, rather than simply saying that the Government keep these matters under review—which of course they do, and that is good—acknowledge that a specific report on this matter would be helpful.

Clause 17 relates to securities options. It is also unclear what effect those options have, but we broadly welcome them.

Clause 18 deals with employment income provided through third parties. Most of this is fairly technical stuff. That does not mean that we should not scrutinise it, but I understand that there will be a consultation on this. Perhaps the Minister could provide a little more detail on that. Will he address the question of lower-paid individuals in small businesses, some of whom feel that these proposals are retrospective because they refer to pre-2011 arrangements? We in this House are always wary of anything that smacks of retrospective.

Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP): I rise to speak to amendment 180 and new clause 1, and to indicate our support for the Opposition on amendment 2. The hon. Member for Wolverhampton South West (Rob Marris) gave his reason behind amendment 2 with such typical eloquence that I have nothing of any substance to add to his remarks, other than to say that we will support the amendment when it is pressed to a vote.

Earlier, I raised a point of order with the Speaker, who encouraged me to say a few words at the beginning of my speech in this debate, so I hope you will indulge me, Sir Roger. We have just had an extraordinary and historic statement from the Prime Minister, in terms of the economy and Government finances, that served merely to clarify the fact that there is no clarity. We know that we face great challenges that will be relevant to much of the Bill, yet we do not know the detail of what the Treasury and its Ministers plan to do or how their actions are likely to affect the measures in the Bill.
I am particularly concerned about how some of these provisions will affect small business people in my constituency and other small businesses, in different legal guises, throughout the whole of the UK. At Prime Minister’s questions just before the referendum, I raised the case of two of my constituents who ran small businesses, Thomas and Elke Westen, who are of German descent. They have now left the country, such were their feelings about the way in which the immigration debate had been handled. They had been hoping to build their businesses and to engage in share ownership schemes, and I know that at least one of them had been engaged as an intermediary and would therefore have been affected by this Bill. So although my remarks tonight on the amendment and the new clause could apply to many people, I have a particular concern about those people in our society who want their small businesses to contribute to productivity but who are feeling disadvantaged because of the wider ramifications of Brexit.

Amendment 180 deals with the impact of HMRC’s abandonment of its valuation check services for small and medium-sized enterprises. I am aware of the Minister’s earlier words of comfort and his opinion that this was not a matter of great significance because the service was poorly used. He suggested that it was of little consequence that it had been abandoned by HMRC in the past few weeks.

Sammy Wilson (East Antrim) (DUP): Given the reduction in the number of people employed by HMRC, and the level of satisfaction with the service it provides, does the hon. Gentleman agree that it is understandable that many businesses turn to professionals whom they employ themselves rather than relying on HMRC?

Roger Mullin: I entirely agree with the hon. Gentleman, but the smallest enterprises—those employing perhaps their first or second employee and engaging in some kind of share ownership—are not in a position to pay a professional company £1,000 or £2,000 for the necessary valuation service, which was provided at no cost by HMRC. Organisations such as ProShare, which I think is based at University College London, have said that they are aware of a number of small businesses being discouraged from engaging in small-scale share ownership schemes precisely because the assistance that they were once afforded has been removed. If the demand for such services was so low, only a few people would have been needed to deliver them. The cost to the Government cannot therefore have been very great, so it seems somewhat perverse to abandon the service at a time when people are seeking to expand the number of share ownership schemes in society.

The hon. Member for Wolverhampton South West, for reasons that defy all understanding, did not think that our new clause 1 was dramatically superior to his new clause 3. No doubt he will attempt to convince the Committee of that argument later. New clause 1 proposes a review of the income tax treatment of workers providing services through intermediaries. We believe that this is particularly relevant in Scotland. The hon. Gentleman suggested earlier that the average return journey to and from work was 16.7 miles. Well, try telling that to people who live on the Isle of Skye and have to commute to places such as Fort William and Inverness. Try telling it to people who have to hop from island to island, such as the health workers who travel on ferries to service the islands and often need to stay overnight. Their situation is not remotely close to the average of 16 miles to travel to work.

A recent article in The Times Educational Supplement pointed out the proposal’s likely negative impact on the many aspects of the education sector that rely on people on particular types of contracts who do not enjoy the benefits of full-time employment. The Minister argued calmly, as he always does, that the change is a simply a matter of ensuring a level playing field. If he wanted a level playing field, he would be ensuring that workers employed through intermediaries benefit from sickness pay, holiday pay and many of the other advantages of full-time employment. They do not get those same benefits and cannot be compared with people in traditional forms of employment.

Indeed, I suspect that part of the problem is that the Government have misunderstood the needs of the modern labour market. People are no longer employed either in traditional ways or entirely self-employed in the way it is traditionally understood. Flexibilities in the labour market have developed in many ways over the past 10 or 20 years. Many such flexibilities play to and enable local economies, such as rural areas in Scotland or Northern Ireland, and specialist sectors, such as oil and gas, which need to import specialist services. These people might be based not in Scotland, but down here near London and may have to fly to provide their services. The proposal might have impuets that have not been thought through by the Government.

Rob Marris: Does the hon. Gentleman agree with UCATT, which says that such workers should be directly employed if possible? For example, UCATT has obtained agreements on behalf of workers to get employment rights in workplaces such as the Olympics or Hinkley Point. While there is a place, as the hon. Gentleman says, for employing specialist workers on oil rigs, for example, not permanently but through an intermediary, the starter for 10 or opening position should be to try to have direct employment so that people get the full panoply of rights.

Roger Mullin: I agree with the hon. Gentleman that it would be better for some in this community to achieve traditional forms of employment, but that is not the situation for the in excess of 1 million people in the UK who fall into this category.

Despite the Minister’s warm words, we intend to press new clause 1. It relates to a matter of some real import for the communities and the economy of Scotland. I have indicated that we are simply speaking to amendment 180, which we will not press, and we will support the Opposition’s amendment 2.

Kelvin Hopkins (Luton North) (Lab): I rise to speak briefly on these amendments and new clauses. The hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin) was absolutely right to mention HMRC. Successive Governments have consistently understaffed HMRC, consistently arguing that they would make it more efficient or whatever. When I was first elected to this House 19 years ago, I remember going to my local VAT office and being told that every member of staff collects
five times their salary. Being a logical sort of person, I wrote to the then Chancellor of the Exchequer and suggested that it was a good idea to employ more staff to collect more revenue for the Government. I received a letter back not from the Chancellor and not even from a junior Minister but from a civil servant, suggesting that HMRC was to save money by cutting staff. It was so irrational that it was just nonsense. That kind of nonsense has continued ever since—reducing the number of offices, making things more remote and so on. I was also not terribly impressed by the idea of having a benefits-distributing service—tax credits—going through HMRC rather than through the Department for Work and Pensions. I was not the only Opposition Member who was uneasy about that change.

I want to discuss new clause 3 and the tax treatment of workers employed through intermediaries and support my hon. Friend the Member for Wolverhampton South West (Rob Marris) on the Front Bench. It has long occurred to me that intermediaries and private agencies make lots of money out of both the public purse and the people they employ. That could be overcome if we instituted a substantial public ownership programme for agencies, particularly when the public sector is involved. If there was a local authority or NHS agency for nurses, the money would either go into the pockets of the staff employed through the agency or would be saved in public spending by the health service—everyone would benefit. However, the people who would lose would be in the private sector, which could not make profits out of employing people in this way. In that way, staffing and taxation could be properly regulated. There would be no cheating, irregularities or tax fiddles, because it would all be within the publicly accountable public sector.

Rob Marris: I have considerable sympathy with my hon. Friend on organisations such as agencies that deal with supply teachers. As he will remember from his background in education, that function was commonly done by the local education authority before, sadly, a Labour Government started changing things. LEAs were then gutted by the current Government and their predecessor. Will my hon. Friend concede that in certain areas, such as construction or oil rigs, there is a role for specialist agencies and that it would be rather Stalinist to look at nationalising them or having them run by national Government bodies, as he appeared to suggest?

Kelvin Hopkins: In the public sector, not everything that was in the past was bad. Some people say that we cannot go back to the past, but a succession of Governments have gone back to the 19th century in the way they run the economy, and neoliberalism was invented then. Since then, we have had social democracies and managed economies that worked well, but that has all been thrown away and we have gone back to the 19th century. Some things from the past that we can return to might actually improve things. I suggest that public agencies for temporary staff would be a good thing.

I might even debate with my hon. Friend that such a proposal could be employed in the private sector as well, because the staff involved would at least be properly protected, the companies would know that they are not being ripped off, and the Treasury would know that it is getting a fair deal through collecting its proper taxes. We could even have them properly organised with the trade unions, ensuring that they are properly paid and so on. We could go back to a splendid world of active social democracy. My hon. Friend’s new clause does not go quite that far, but I support it.

Rob Marris: I must say to my hon. Friend that I am quite in favour of a world of active social democracy. I am unsure whether my definition is quite the same as his if he seriously suggests that construction agencies should be run by some kind of state body—that is a step too far for me. I also caution my hon. Friend that, having got his way last Thursday, he is pushing his luck somewhat on this somewhat Stalinist approach.

Kelvin Hopkins: My hon. Friend suggests that my proposal is Stalinist, but we are talking about a world in which we had several splendid democratically elected Labour Governments after the second world war that did wonderful things. Nobody would call them Stalinist. They submitted themselves to the electorate every five years and were sometimes defeated—sometimes even in this House—so I do not think “Stalinist” is the right word.

I do think, however, that there should be a bigger role for the public sector in regulating employment, making sure that people are properly paid and securely employed, even if they are temporary staff, that taxes are fully paid and that private sector agencies do not rip off both the public purse and employees. I will leave that suggestion with my hon. Friend. I hope that he will bring forward even more radical proposals along the lines that I have suggested.

Kirsty Blackman: I shall be brief, as I know nobody wants a lengthy debate tonight. I have a couple of specific points to make about reviewing the income tax treatment of workers who provide services through intermediaries. We are asking for a review. I understand the Government’s point that they feel that their approach is sensible for the majority of workers and that it is levelling the playing field for the majority of people, but there will be unintended consequences on specific issues and in specific areas, and they are going to be a major problem.

We have mentioned that this will have a disproportionate impact on rural communities. That is partly because of geography, as those communities are further away and it is more difficult for people to make cheap travel arrangements to go there and for people to find reasonably priced overnight accommodation. That will have a disproportionate financial impact. We do not want specialist contractors to choose not to go to a rural community on the basis that it will disproportionately cost them money, as that will mean our rural communities will lose out; they will not have the ability to get whatever it is that needs to be done in that community because the contractor will choose to go somewhere cheaper. That is a major issue, particularly in the oil industry, as has been said, and in the whisky industry. The whisky industry may have specialist contractors that need to go to rural locations in order to do things, and we do not want those areas to be disproportionately affected.
7 pm

One big issue for rural communities is that the Brexit scenario means that they will lose out on huge amounts of European funding, and we do not want them to be further negatively impacted by this regime, so we are asking for a review. I understand that studies have been done and predictions have been made, but we all know from last week that predictions can go horribly wrong. We do not know how this will work in practice. The Government know how much it currently costs, but they do not know what impact there will be on workers’ behaviour when this is introduced. We therefore want the Government to look at this in a few months’ time to see whether it has had that negative effect, particularly on rural communities.

The last thing I want to say is that the reduction in net income has a disproportionate effect on those on lower incomes, so this is a regressive measure. I wonder whether that could be looked at in any review to see whether contractors doing lower-paid jobs are less likely to choose to go to rural communities on that basis.

Rob Marris: Some of those lower-paid workers may be working for umbrella companies, and a difference between the wording in new clause 3 and in new clause 1 is that Labour’s new clause 3 mentions umbrella companies. New clause 1 refers to “different types of worker”. Does the hon. Lady envisage that concept as including those who are engaged through intermediary or umbrella companies?

Kirsty Blackman: Absolutely we do. When we talk about “intermediaries” and “different types of worker”, we mean all those who will be impacted by this change in the taxation measures.

Mr Gauke: I am grateful for the various points made in this debate. I will not repeat everything I said in my opening remarks, but I will try to address the questions raised, and we have had plenty of those. Perhaps I should begin by saying how pleased I was to see the hon. Member for Wolverhampton South West (Rob Marris) join us, as one never knows these days who will be on the Labour Front Bench. Given the considerable work that he clearly put into his speech—not forgetting the considerable work put in by Imogen Watson—it would have been a great pity were he not to have been on the Front Bench to ask those questions, so I am delighted to see him.

Rob Marris: I would not have missed it for the world.

Mr Gauke: The lengths people will go to in order to avoid attending a parliamentary Labour party meeting are clearly considerable.

Let me address the lengths the hon. Gentleman went to. I will also try to address the other points raised in the debate, and I will run through this in clause order—at least I will attempt to do so. Let me start by discussing clause 7, as he asked about the extent to which there have been problems and uncertainty with the tax law it addresses. There has been some uncertainty about the application of the current tax law in respect of fair bargain from a number of employers and advisers. This clause has been introduced to put the matter beyond doubt. It will give employers certainty about when fair bargain should not be applied to benefits in kind, and these issues have been recently rehearsed by the Court of Appeal. He raised a particular issue as to why there was special provision for cars and vans. Conventional cars and vans are a particularly valuable benefit, so the codes specify how to calculate the value to apply so that a fair and equitable tax treatment results. We have these provisions because this benefit is particularly valuable.

Rob Marris: There may be a bit of to-ing and fro-ing on this for clarification, and this may well be due to my ignorance, but is this to do with the sale, possibly at an undervalue, of a van or a car, in contradistinction to one that is supplied as a benefit in kind—the classic sales rep’s company car? Is clause 7 talking about a different scenario, such as a potential sale with it undervalued—or how does it overlap?

Mr Gauke: No, it is not talking about that. I hope that provides some clarity.

On clause 8, we were asked why the Government were imposing tax increases on drivers of low-emission cars. The company car tax system encourages people to choose the most fuel-efficient cars while ensuring that the benefit is fairly taxed. It is fair that all company car users, including those in zero-carbon and low-carbon cars, make a fair contribution to the public finances. The tax differential between ultra-low emission and conventionally fuelled cars will be widened in 2019-20 compared with previous plans announced at Budget 2013. If Members so wish, I could provide examples of that.

The question put is, “Why are the Government increasing rates on conventionally fuelled cars by three percentage points after years of two-percentage-point increases?” People also ask about the impact on the type of cars purchased. These increases ensure that the taxation of company cars continues to reflect changes in emissions technology. The rate increase, together with the extra incentive of ultra-low-emission vehicles, promotes the continued move to the cleanest cars. In 2013, there were 1,900 company ultra-low-emission vehicles, which was about 0.1% of the company car fleet, whereas in 2015 there were more than 8,000. That supports the Government’s approach. Over the course of this Parliament, increases in company car tax rates have broadly maintained revenues in real terms, in the face of continued improvements in new car fuel efficiencies, and this will support the move to cleaner, zero-emission and ultra-low-emission cars.

Rob Marris: I think I have asked this before, and the Minister may not have the figure to hand, but can he give us an estimate of how much he thinks the changes introduced by clause 8 will raise, given that for each of the four bands the percentages are going up by 3%?

Mr Gauke: If I may, I will write to the hon. Gentleman and provide him with those details.

On clause 11, the Government will review the van benefit charge support for zero-emission vans, again in the light of market developments, at Budget 2018. This clause is keeping the level at 20%—it is not increasing it as planned—and the review occurs before any further increase beyond 20%. I hope that reply is helpful to the hon. Gentleman. As for what the impact will be on the
sales of zero-emission vans, extending the van benefit charge support for zero-emission vans will continue to reduce barriers to the uptake of new vehicle technologies. The Government’s enhanced capital allowances scheme for zero-emission vans and the plug-in van grant that helps with the up-front cost of buying a new ultra-low-emission van will also help to reduce barriers to the uptake of these new technologies. Together these incentives will help sales of zero-emission vans. This in turn will help the development and manufacture of clean vehicle technologies in the UK, consistent with the Government’s wider plans to promote economic growth. However, it is not possible to estimate precisely the impact on sales at this stage.

The hon. Gentleman made a point about EU air quality requirements and whether we should be doing more. The Government are committed to improving air quality, reducing health impacts and complying with legal obligations. Last December, DEFRA published the Government’s plan to achieve these aims. Under this plan, by 2020 the most polluting diesel vehicles will be discouraged from entering the centres of Birmingham, Leeds, Southampton, Nottingham and Derby. The Mayor of London has responsibility for London and his own plans for reductions. I accept that the hon. Gentleman’s amendment is well intentioned, but no vehicles would currently be caught by it and we are instead pursuing these aims more effectively elsewhere.

Rob Marris: Maybe I missed it, and I apologise in advance if I did, but when the Minister referred to stuff going through DEFRA and so on, I understood the milestone to be 2020, but 2020 seems an awfully long way away given that we should have been complying with this air quality stuff in about 2011 or 2012. It seems to be a case of kicking the can down the road while literally tens of thousands of people are dying prematurely. That is worrying.

Mr Gauke: I appreciate that that is the intention of the amendments, and of course the hon. Gentleman would be the first to accept that it would require some time for that to take effect, but there are other measures elsewhere that the Government are taking that I believe achieve those objectives more effectively.

Kelvin Hopkins: There is a proposal to build a railway line that would take 5 million lorry journeys off our roads every year, transforming current levels of emissions, particularly in towns. This has widespread support apart from in the Department for Transport and the Government. Will the Government look seriously at the scheme and see it as a positive way forward?

Mr Gauke: This Government are committed to a very substantial investment in our railways—the biggest rail building programme since Victorian times. As a Government, we have great ambitions; we intend to spend £60 billion on transport infrastructure over the course of this Parliament.

Turning to supporting testimonials, a point was raised about the definition of “customary”. To reassure the hon. Member for Wolverhampton South West, I point out that HMRC is committed to working with external bodies in the production of guidance on this, which will cover issues such as the definition of “customary”. He also asked about the numbers of testimonials that fall within the contractual or customary categories, or fall outside that. No figures are available, as employers have not had to report this to HMRC. It is worth pointing out that contractual and customary payments are treated as earnings and it is therefore not possible to disaggregate them from the PAYE system.

A number of points were raised on clause 14. It was asked whether this change would disadvantage rural communities. Workers in rural communities who are contracted directly cannot claim travel and subsistence on their ordinary home to work commute. This change equalises the tax treatment of workers employed through employment intermediaries with that of other workers. It addresses an imbalance in our tax system, ensuring that it is fair. It is a long-standing principle of the tax system that tax relief is not allowable for the expense of ordinary commuting—travelling from home to a permanent workplace. I made that point earlier.

In terms of whether it would reduce contractors’ ability to travel, creating a skills shortage or reducing flexibility and preventing growth, where businesses wish or need to recruit workers living some distance away, the Government expect businesses to pay a wage sufficient to attract workers without any special tax subsidy being necessary. This forms part of the Government’s plan to move to a high-wage economy with businesses meeting the costs of paying their workers a wage which does not require a top-up from the state. I should also make the point in this context that this change protects supply teachers—an example that I think was used in the course of the debate—who are engaged through an intermediary on the same terms as other supply teachers who are contracted directly or through an agency. Like other workers, supply teachers not engaged in this way would not receive tax relief on their travel and subsistence expenses on regular home to work travel.

Prior to the last general election, the Labour party said that it would stop umbrella companies exploiting tax relief. It stated this both in its published plan to
tackle tax avoidance and subsequently in Parliament, and that is exactly what this change does, so I hope our measures in this area will have cross-party support.

The hon. Member for Aberdeen North (Kirsty Blackman) made a point about the impact on the Scottish oil industry. Employees with a permanent workplace at an offshore oil or gas installation are already exempt from income tax where they are provided with transfer transport, related accommodation, subsistence or local transport. These changes will not affect that exemption.

Roger Mullin: The only time in my life I had to operate through an umbrella company and would have been caught by these changes was when it was at the requirement of the Government because of the way in which they had constructed a contract. Do they intend going through every Department of the UK Government to ensure they no longer contract in this way?

Mr Gauke: The Government have done considerable work in recent years to ensure that Departments do not engage in arrangements that drive down the tax bill in a way that is not the intention of Parliament.

On clauses 16 and 17 and the issue of the withdrawal of the valuation check service, the Government believe that the impact will be negligible on employee share ownership. The Government do not expect the withdrawal of these services to have an impact on the take-up of employee ownership schemes. The valuation service has not been withdrawn for the most relevant two employee ownership schemes, including enterprise management incentives, company share option plans, savers who earn share option schemes, share incentive plans and the employee shareholder status.

This rather raises the question raised by the hon. Member for Wolverhampton South West as to why we have so many different schemes. Well, each of the tax advantage share schemes has a specific policy objective, reflected in the specific qualifying conditions. Share reward schemes are greatly valued by both companies and employees, and the Government believe that these schemes can have a positive impact on productivity.

Finally, on clause 18 and the concerns that this is retrospective legislation and that it is too complex, let me be clear that the changes introduced here are relatively straightforward. More complex proposals that were announced at the Budget will instead be legislated for in Finance Bill 2017, after the Government have consulted on the technical detail over the summer. One of the main purposes of the consultation will be to ensure that genuinely innocent arrangements are not affected. On the suggestion that the legislation is retrospective, the Government expect those who have avoided tax to pay their fair share. The Government intend to legislate for the new charge in Finance Bill 2017, following the consultation that I have just mentioned. The public and tax practitioners will be able to comment on that consultation.

Normal hard-working people do pay their taxes. They are paid a salary; they are not paid in loans. It is not right that those who use these schemes receive remuneration without paying tax on it. All affected scheme users will have the opportunity to repay their loans or to pay tax on them before the changes come into effect. This is in addition to the previous settled opportunities which closed in 2015.

I hope those points of clarification are helpful to the House. I hope, therefore, that the Government clauses and amendments can be supported, and I urge hon. Members proposing their own new clauses or amendments not to press them. If not, I urge my hon. Friends to oppose them.

Amendment 22 agreed to.

Amendments made: 23, page 14, line 10, at end insert—

“( ) In section 109 (priority of Chapter 5 over Chapter 1), after subsection (3) insert—

“(4) In a case where the cash equivalent of the benefit of the living accommodation is nil—

(a) subsections (2) and (3) do not apply, and

(b) the full amount mentioned in subsection (1)(b) constitutes earnings from the employment for the year under Chapter 1.”

Amendment 24, page 14, leave out lines 13 to 16 and insert—

“(1A) Where this Chapter applies to a car or van, the car or van is a benefit for the purposes of this Chapter (and accordingly it is immaterial whether the terms on which it is made available to the employee or member constitute a fair bargain).”

Amendment 25, page 14, line 35, at end insert—

“( ) In section 120 (benefit of car treated as earnings)—

(a) in subsection (2) after “case” insert “(including a case where the cash equivalent of the benefit of the car is nil)”, and

(b) after subsection (2) insert—

“(3) Any reference in this Act to a case where the cash equivalent of the benefit of a car is treated as the employee’s earnings for a year by virtue of this section includes a case where the cash equivalent is nil.”

( ) In section 154 (benefit of van treated as earnings)—

(a) the existing text becomes subsection (1) of that section, and

(b) after that subsection insert—

“(2) In such a case (including a case where the cash equivalent of the benefit of the van is nil) the employee is referred to in this Chapter as being chargeable to tax in respect of the van for that year.

(3) Any reference in this Act to a case where the cash equivalent of the benefit of a van is treated as the employee’s earnings for a year by virtue of this section includes a case where the cash equivalent is nil.”

Amendment 26, page 14, leave out lines 37 to 39 and insert—

“(1A) Where this Chapter applies to a loan—

(a) the loan is a benefit for the purposes of this Chapter (and accordingly it is immaterial whether the terms of the loan constitute a fair bargain), and

(b) sections 175 to 183 provide for the cash equivalent of the benefit of the loan (where it is a taxable cheap loan) to be treated as earnings in certain circumstances.”

—(Mr Gauke.)

Clause 7, as amended, ordered to stand part of the Bill.

Clauses 8 and 9 ordered to stand part of the Bill.

Clause 10

DIESEL CARS: APPROPRIATE PERCENTAGE

Amendment proposed: 2, page 15, line 29, after “omit”, insert—

“except in the case of a low emissions vehicle.”—(Rob Marris.)

Question put, That the amendment be made.
The Committee divided: Ayes 251, Noes 314.

Division No. 22]  

[7.22 pm

AYES

Abrahams, Debbie  
Ali, Rushanara  
Allen, Mr Graham  
Allin-Khan, Dr Rosena  
Anderson, Mr David  
Aston, Ian  
Bailey, Mr Adrian  
Bardell, Hannah  
Beckett, rh Margaret  
Benn, rh Hilary  
Berger, Luciana  
Betts, Mr Clive  
Blackford, Ian  
Blackman, Kirsty  
Blackman-Woods, Dr Roberta  
Blankinsop, Tom  
Blomfield, Paul  
Boswell, Philip  
Bradshaw, rh Mr Ben  
Brake, rh Tom  
Brennan, Kevin  
Brock, Deidre  
Brown, Alan  
Brown, Lyn  
Brown, rh Mr Nicholas  
Bryant, Chris  
Buck, Ms Karen  
Burden, Richard  
Burton, Richard  
Butler, Dawn  
Byrne, rh Liam  
Cadbury, Ruth  
Campbell, rh Mr Alan  
Campbell, Mr Ronnie  
Carmichael, rh Mr Alistair  
Champion, Sarah  
Chapman, Douglas  
Cherry, Joanna  
Clegg, rh Mr Nick  
Clwyd, rh Ann  
Coaker, Vernon  
Coffey, Ann  
Cooper, Julie  
Cooper, Rosie  
Cooper, rh Yvette  
Corbyn, rh Jeremy  
Cowan, Ronnie  
Coyle, Neil  
Crawley, Angela  
Creagh, Mary  
Creasy, Stella  
Cruddas, Jon  
Cryer, John  
Cunningham, Alex  
Cunningham, Mr Jim  
Dakin, Nic  
Danczuk, Simon  
David, Wayne  
Davies, Geraint  
Day, Martyn  
Docherty-Hughes, Martin  
Donaldson, Stuart Blair  
Doughty, Stephen  
Dowd, Jim  
Dowd, Peter  
Dromey, Jack  
Dugher, Michael  
Durkan, Mark  
Eagle, Ms Angela  
Edwards, Jonathan  
Elliott, Julie  
Elliott, Tom  
Ellman, Mrs Louise  
Esterson, Bill  
Evans, Chris  
Farrelly, Paul  
Feltham, Marion  
Ferrier, Margaret  
Field, rh Frank  
Fitzpatrick, Jim  
Flinn, Robert  
Flynn, Paul  
Fovargue, Yvonne  
Foxcroft, Vicky  
Gapes, Mike  
Gardiner, Barry  
Gethins, Stephen  
Gibson, Patricia  
Glass, Pat  
Glindon, Mary  
Goodman, Helen  
Grady, Patrick  
Grant, Peter  
Gray, Neil  
Green, Kate  
Greenwood, Lilian  
Greenwood, Margaret  
Gwynne, Andrew  
Haigh, Louise  
Hamilton, Fabian  
Hanson, rh Mr David  
Harman, rh Ms Harriet  
Hayes, Helen  
Healey, rh John  
Hendry, Drew  
Hillier, Meg  
Hodge, rh Dame Margaret  
Hodgson, Mrs Sharon  
Hoey, Kate  
Hollett, Kate  
Hopkins, Kelvin  
Hosie, Stewart  
Hunt, Tristram  
Huq, Dr Rupa  
Hussain, Imran  
Jarvis, Dan  
Johnson, Diana  
Jones, Graham  
Jones, Helen  
Jones, Mr Kevin  
Kane, Mike  
Keeley, Barbara  
Kendall, Liz  
Kerevan, George  
Kerr, Calum  
Kyle, Peter  
Lamb, rh Norman  
Lavery, Ian  
Law, Chris  
Leslie, Chris  
Lewell-Buck, Mrs Emma  
Lewis, Clive  
Lewis, Mr Ivan  
Long Bailey, Rebecca  
Lucas, Caroline  
Lucas, Ian C.  
Lynch, Holly  
Mactaggart, rh Fiona  
Madders, Justin  
Mahmood, Mr Khalid  
Mahmood, Shabana  
Malhotra, Seema  
Marr, John  
Marris, Rob  
Marsden, Mr Gordon  
Maskell, Rachael  
Matheson, Christopher  
Mc Nally, John  
McCabe, Steve  
McCaig, Callum  
McCarthy, Kerry  
McDonagh, Siobhain  
McDonald, Andy  
McDonald, Stewart Malcolm  
McDonald, Stuart C.  
McDonnell, John  
McFadden, rh Mr Pat  
McGarry, Natalie  
McGinn, Conor  
McGovern, Alison  
McInnes, Liz  
McKinnell, Catherine  
McMahon, Jim  
Meale, Sir Alan  
Mears, lan  
Monaghan, Carol  
Monaghan, Dr Paul  
Moon, Mrs Madeleine  
Morris, Grahame M.  
Mulholland, Greg  
Mullin, Roger  
murray, lan  
Newlands, Gavin  
Nicholson, John  
O’Hara, Brendan  
Onn, Melanie  
Onwurah, Chi  
Osamor, Kate  
Osborne, Megan  
Pennycook, Matthew  
Perkins, Toby  
Phillips, Jess  
Pound, Stephen  
Qureshi, Yasmin  
Rayner, Angela  
Reed, Mr Jamie  
Reed, Mr Steve  
Rees, Christina  
Reeves, Rachel  
Reynolds, Emma  
Reynolds, Jonathan  
Rimmer, Marie  
Ritchie, Ms Margaret  
Robertson, rh Angus  
Robinson, Mr Geoffrey  
Rotheram, Steve  
Ryan, rh Joan  
Saville, Roberta, Liz  
Shannon, Jim  
Sheehan, rh Mr Barry  
Sheppard, Tommy  
Sherriff, Paula  
Shuker, Mr Gavin  
Skinner, rh Dennis  
Slaughter, Andy  
Smeeth, Ruth  
Smith, rh Mr Andrew  
Smith, Angela  
Smith, Cat  
Smith, Jeff  
Smyth, Karin  
Spellar, rh Mr John  
Starmer, Keir  
Stephens, Chris  
Stevens, Jo  
Streeting, Wes  
Stringer, Graham  
Stuart, rh Ms Gisela  
Tami, Mark  
Thewliss, Alison  
Thomas-Symonds, Nick  
Thompson, Owen  
Thomson, Michelle  
Thornberry, Emily  
Timms, rh Stephen  
Trickett, Jon  
Turley, Anna  
Turner, Karl  
Twigg, Derek  
Twigg, Stephen  
Ummuna, Mr Chuka  
Vaz, Valerie  
Watson, Mr Tom  
Weir, Mike  
West, Catherine  
Whiteford, Dr Eilidh  
Whitehead, Dr Alan  
Whitford, Dr Philippa  
Williams, Hywel  
Williams, Mr Mark  
Wilson, Phil  
Winnick, Mr David  
Winterton, rh Dame Rosie  
Wishart, Pete  
Woodcock, John  
Wright, Mr Iain  
Zeichner, Daniel

Tellers for the Ayes: Sue Hayman and Judith Cummins

NOES

Arger, Edward  
Atkins, Victoria  
Bacon, Mr Richard  
Baker, Mr Steve  
Baldwin, Harriett  
Barclay, Stephen  
Baron, Mr John  
Barwell, Gavin
Bill.

Paragraph (a) and insert—

“(a) in section 51(1)—

(i) disregard “either” in the opening words, and

(ii) disregard paragraph (b) (and the preceding or), and”.—(Mr Gauke.)

Clause 14, as amended, ordered to stand part of the Bill.

Clauses 15 and 16 ordered to stand part of the Bill.

Clauses 17 and 18 ordered to stand part of the Bill.

New Clause 1

Review of income tax treatment of workers providing services through intermediaries

“The Chancellor of the Exchequer must conduct a strategic review of the impact on workers defined as providing services through intermediaries of their treatment for income tax purposes, including the differential impact on different types of worker, and must publish the report of the review within six months of the passing of this Act.”—(Roger Mullin.)

Brought up, and read the First time.

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

The Committee divided: Ayes 247, Noes 316.

Division No. 23  [7.37 pm]

AYES

Abrahams, Debbie  Brennan, Kevin
Ali, Rushanara  Brock, Deidre
Allen, Mr Graham  Brown, Alan
Allin-Khan, Dr Rosena  Brown, Lyn
Anderson, Mr David  Brown, rh Mr Nicholas
Arkless, Richard  Bryant, Chris
Austin, Ian  Buck, Ms Karen
Bailey, Mr Adrian  Burden, Richard
Bardell, Hannah  Burgon, Richard
Barron, rh Kevin  Butler, Dawn
Beckett, rh Margaret  Byrne, rh Liam

Wollaston, Dr Sarah  Cadbury, Ruth
Wood, Mike  Cameron, Dr Lisa
Wragg, William  Campbell, rh Mr Alan
Wright, rh Jeremy  Campbell, Mr Ronnie
Zahawi, Nadhim  Carmichael, rh Mr Alistair

Tellers for the Noes:  Champion, Sarah
Jackie Doyle-Price and  Chapman, Douglas
Guy Opperman

Brought up, and read the First time.

Clouse 17 ordered to stand part of the Bill.

Clauses 10 to 12 ordered to stand part of the Bill.

Schedule No. 23

Employee Share Schemes: Minor Amendments

Amendment made: 28, page 274, line 20, leave out “(1) does” and insert “(1)(a) and (b) do”.—(Mr Gauke.)

Schedule 3, as amended, agreed to.

Clauses 17 and 18 ordered to stand part of the Bill.

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New Clause 1

Review of income tax treatment of workers providing services through intermediaries

“The Chancellor of the Exchequer must conduct a strategic review of the impact on workers defined as providing services through intermediaries of their treatment for income tax purposes, including the differential impact on different types of worker, and must publish the report of the review within six months of the passing of this Act.”—(Roger Mullin.)

Brought up, and read the First time.

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

The Committee divided: Ayes 247, Noes 316.

Division No. 23  [7.37 pm]

AYES

Abrahams, Debbie  Brennan, Kevin
Ali, Rushanara  Brock, Deidre
Allen, Mr Graham  Brown, Alan
Allin-Khan, Dr Rosena  Brown, Lyn
Anderson, Mr David  Brown, rh Mr Nicholas
Arkless, Richard  Bryant, Chris
Austin, Ian  Buck, Ms Karen
Bailey, Mr Adrian  Burden, Richard
Bardell, Hannah  Burgon, Richard
Barron, rh Kevin  Butler, Dawn
Beckett, rh Margaret  Byrne, rh Liam

Wollaston, Dr Sarah  Cadbury, Ruth
Wood, Mike  Cameron, Dr Lisa
Wragg, William  Campbell, rh Mr Alan
Wright, rh Jeremy  Campbell, Mr Ronnie
Zahawi, Nadhim  Carmichael, rh Mr Alistair

Tellers for the Noes:  Champion, Sarah
Jackie Doyle-Price and  Chapman, Douglas
Guy Opperman

Brought up, and read the First time.

Clouse 17 ordered to stand part of the Bill.

Clauses 10 to 12 ordered to stand part of the Bill.

Schedule No. 23

Employee Share Schemes: Minor Amendments

Amendment made: 28, page 274, line 20, leave out “(1) does” and insert “(1)(a) and (b) do”.—(Mr Gauke.)

Schedule 3, as amended, agreed to.

Clauses 17 and 18 ordered to stand part of the Bill.

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**NOES**

- Adams, Nigel
- Afriyie, Adam
- Aldous, Peter
- Allan, Lucy
- Allen, Heidi
- Amess, Sir David
- Andrew, Stuart
- Ansell, Caroline
- Argor, Edward
- Atkins, Victoria
- Bacon, Mr Richard
- Baker, Mr Steve
- Baldwin, Harriett
- Barclay, Stephen
- Baron, Mr John
- Barwell, Gavin
- Bebb, Guto
- Bellingham, Sir Henry
- Benyon, Richard
- Beresford, Sir Paul
- Berry, Jake
- Berry, James
- Bingham, Andrew
- Blackman, Bob
- Blackwood, Nicola
- Blunt, Crispin
- Smith, Angela
- Smith, Cat
- Smith, Jeff
- Smyth, Karin
- Starmer, Keir
- Stephens, Chris
- Stevens, Jo
- Streeting, Wes
- Stringer, Graham
- Stuart, rh Ms Gisela
- Tami, Mark
- Thewlis, Alison
- Thomas-Symonds, Nick
- Thomson, Michelle
- Thornberry, Emily
- Timms, rh Stephen
- Trickett, Jon
- Turley, Anna
- Turner, Karl
- Twigg, Derek
- Twigg, Stephen
- Ummuna, Mr Chuka
- Vaz, Valerie
- Watson, Mr Tom
- Weir, Mike
- West, Catherine
- Whiteford, Dr Elidih
- Whitehead, Dr Alan
- Whitterd, Dr Philippa
- Williams, Hywel
- Williams, Mr Mark
- Wilson, Phil
- Winnick, Mr David
- Winterton, rh Dame Rosie
- Wishart, Pete
- Woodcock, John
- Wright, Mr Iain
- Zeichner, Daniel

**Tellers for the Ayes:**

- Owen Thomson and Marion Fellows

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**Finance Bill**

27 JUNE 2016

**Finance Bill**
The Temporary Chair (Sir Roger Gale): With this it will be convenient to discuss clauses 133 and 134 stand part.

Amendment 183.

Clauses 135 and 136 stand part.

The Exchequer Secretary to the Treasury (Damian Hinds): Clauses 132 to 136 set out changes to the climate change levy, or CCL, which is a tax levied on the supply of energy to businesses and the public sector. It was introduced in 2001 to incentivise industrial and commercial energy efficiency. The Finance Act 2015 removed the climate change levy exemption for renewable electricity generated on or after 1 August 2015. A consultation was then held to seek views from industry on the appropriate length of time for the transitional period.

Clause 132 sets the length of the transitional period during which electricity suppliers can continue to exempt from the climate change levy renewable sourced electricity generated before 1 August 2015. The clause provides for an end date for the transitional period of 31 March 2018. Setting a transitional period will minimise the administrative impact on electricity suppliers by giving them time to retain the benefit of renewably sourced electricity acquired before the date of the change.

Following a review of the business energy tax landscape and consultation with industry, it was announced at Budget 2016 that the Government would abolish the complex and unduly burdensome carbon reduction commitment energy efficiency scheme and move to a single tax—the existing climate change levy—from 2019. Moving to one tax will provide a clearer price signal for business energy use, incentivising energy efficiency while reducing administrative burdens.

Clauses 133 and 134 set the main rates of the CCL from 1 April 2017 and 1 April 2018 to increase by the retail prices index. Legislating for those increases now provides certainty for businesses before the wider business energy market reforms take place.

Clause 135 will increase the climate change levy rates above RPI from 1 April 2019, to recover the revenue that will be lost from abolishing the CRC. Increasing climate change levy rates will strengthen the incentive for businesses with the greatest potential to save energy. At the same time, rebalancing the rates for different taxable commodities from 1 April 2019 will update an outdated ratio and more closely reflect the carbon content of the energy used. That will help to deliver on our commitment to achieve greater carbon savings.

Clause 136 will increase the levy discount for energy intensive sectors with climate change agreements. That will ensure that businesses in those sectors will pay no more in the climate change levy than the expected RPI increase in April 2019, thereby enabling them to maintain their international competitiveness. Those reforms will take place in 2019, providing a three-year lead-in time for businesses to adjust to the new business energy tax landscape.

Several hon. Members have in the past voiced concern over the impact of the clause to remove the climate change levy exemption from renewably sourced electricity, so allow me, if you will, to set out here the reasoning for the removal of that exemption. There is no doubt that the exemption was increasingly providing poor value for money for British taxpayers. Without action,
the exemption would have cost almost £4 billion over the course of this Parliament, providing only indirect support to renewable generators.

Other Government support for UK low-carbon generators demonstrates this Government’s commitment to renewable energy. Since 2010, nearly £52 billion has been invested in renewables, and that has led to a trebling of the UK’s renewable electricity capacity. There was another record year in 2015, with £13 billion invested in renewable electricity. Removing the exemption will provide better value for money for UK taxpayers, contribute to fiscal consolidation and maintain the climate change levy price signal necessary to incentivise business energy efficiency.

The Government’s consultation with industry showed that the current business energy tax landscape was too burdensome and complex. Clauses 132 to 136 demonstrate the Government’s commitment to simplify and improve the effectiveness of business energy taxes in order to meet our environmental targets.

Amendment 183 stands in the name of the hon. Member for Salford and Eccles (Rebecca Long Bailey) on behalf of the Opposition. If I may pause for a moment, I want to take this opportunity to congratulate her on her elevation today. It is an extremely well-deserved promotion and we wish her all the best in her new role. On this occasion, however, I am afraid that her amendment has slightly less merit. It would require the Chancellor to publish a report detailing the impact of the climate change levy in reducing carbon emissions within 12 months from the passing of the Finance Bill, but such a review is unnecessary.

Following a hearing on the 2015 summer Budget, the Chancellor wrote to the Treasury Committee on the impact of the removal of the CCL exemption. He made it clear that the exemption would not directly affect our commitment to reduce carbon emissions. In addition, the Department of Energy and Climate Change already intends to publish a consultation on a simplified energy and carbon reporting framework later this year. That will be accompanied by an impact assessment, which will examine the removal of the carbon reduction commitment and propose adjustments to reporting requirements.

The impact of ending the exemption from the climate change levy for renewable electricity has been discussed at length over the course of debates. It has been confirmed to Parliament in writing by the Chancellor that removal of the exemption will not impact on the UK’s ability to meet its carbon budget targets. I therefore urge the hon. Lady to withdraw the amendment, but should she be minded not to do so, I urge the Committee to reject it.

Rebecca Long Bailey (Salford and Eccles) (Lab): I thank the Minister for his kind comments and for being a fantastic duelling partner in these debates. He has been nothing less than respectful and I have enjoyed debating with him.

I rise to speak to clauses 132 to 136, which make various changes to the climate change levy, and to amendment 183, which stands in my name and those of my hon. Friends the Members for Hayes and Harlington (John McDonnell), for Feltham and Heston (Seema Malhotra), for Wolverhampton South West (Rob Marris) and for Leeds East (Richard Burgon).

Clause 132 relates to the removal of the exemption for electricity from renewable sources. Since the climate change levy’s inception in 2001, electricity from renewable sources has been exempt when supplied under a renewable energy supplier contract agreed between an energy supplier and its customer. In Budget 2015, the Chancellor announced that that exemption for renewable electricity would be removed from 1 August 2015 and that there would be a “transitional period for suppliers...to claim the CCL exemption on any renewable electricity that was generated before that date.”

Following an informal consultation, which received 18 responses, the Government announced that the transitional period would end on 31 March 2018, legislated for in this Finance Bill.

The House will be aware that we, along with several Government Members, opposed the removal of that exemption in the Finance Act 2015, and we maintain that position. We will therefore abstain on the clause, but I would like the Minister to address one particular point. In answer to written questions, the Government have refused to publish a summary of responses to the informal consultation, as they contained “commercially sensitive information”, and they refuse to publish an average of suggested timescales. Will the Minister give us an assurance that the length of the transitional period was, in fact, in line with the recommendations of the respondents?

Clauses 133 and 134 will increase the main rates of the climate change levy in line with inflation in April 2017 and again in April 2018. It has been standard practice to increase the rates in line with inflation in each year’s Finance Bill since 2007 and, as the explanatory notes set out, wider changes to the CCL from 2019 are being legislated for in this Bill, so it makes sense to make provision for the next two years at the same time.

Those wider changes are the subject of clause 135, which significantly increases the main rates of the climate change levy to recover Exchequer revenue lost from the abolition of the carbon reduction commitment. In doing so, the ratio of electricity to gas is rebalanced somewhat to 2.5:1, and it is the Government’s intention to rebalance the ratio further to 1:1 by 2025, to reflect the fall in gas prices and the expected increase in consumption as a result.

The following clause increases the CCL discount available to energy intensive businesses subject to climate change agreements, to compensate equivalently for the increase to the main rates. The CCL discount for electricity will increase from 90% to 93%, and the discount for gas will increase from 65% to 78% from 1 April 2019. That provision mitigates a knock-on effect from clause 135.

Our amendment to clause 135 would require the Government to conduct a review of the impact of the climate change levy on carbon emissions. The review will have particular reference to the removal of the exemption for electricity generated from renewable sources, the abolition of the carbon reduction commitment and the reporting requirements for companies and public sector bodies.

8 pm

In order to explain the reasoning behind our amendment, it might be helpful to outline briefly how the Government arrived at the changes implemented by clause 135. In Budget 2015, a consultation on the business energy
efficiency tax landscape was announced to consider approaches to simplify and improve the effectiveness of the regime. Launched in September, the consultation set out the range of business energy efficiency policies and regulations, and it received 356 responses from a variety of businesses, energy providers and trade associations.

The consultation sought to improve the effectiveness of the policy framework by: first, simplifying reporting and taxes to reduce administrative burden; secondly, targeting policy levers at cost-effective energy efficiency potential identified in business sectors and heat use; thirdly, using policy instruments to help to raise the profile of energy efficiency on carbon reduction with decision makers; and, fourthly, improving the case for investment in energy efficiency and low-carbon alternatives. As a result of that consultation exercise, the Chancellor announced in his March Budget that the carbon reduction commitment would be abolished and the climate change levy increased to recover the lost revenue—the purpose of this clause. In the Treasury’s written response to the consultation exercise, the Government also committed to consulting later in the summer on a new, simplified energy and carbon reporting framework for introduction by April 2019.

My hon. Friends and I fail to see how these measures meet the objectives outlined previously, except the first one. Let me stress that we acknowledge comments from businesses that indicate that the current overlapping tax and reporting requirements are burdensome, and we do not disagree with the principle of streamlining energy taxation to make it less cumbersome. However, it must be done in such a way as to make the regime equally, or preferably more, effective at reducing carbon emissions and improving energy efficiency.

We feel quite strongly that the Government have missed a perfect opportunity to make some really radical changes to the energy policy landscape—a sentiment shared by the UK Green Building Council, which has indicated that such slight reform is disappointing when a three-pronged approach to taxation, reporting and incentives would have really driven change. I want to stress to the House and the Government how necessary such radicalism is.

The game-changing United Nations COP 21 conference held in Paris at the latter end of last year marked a watershed moment in tackling climate change, because it became a priority on the world stage. The final agreement provided for a limit on the temperature rise to below 2°C, because the consensus among scientists is that a greater increase in temperature would be incredibly dangerous. The UK signed up to that agreement, and the Prime Minister even delivered a speech in Paris, in which he said that “instead of making excuses tomorrow to our children and grandchildren, we should be taking action against climate change today.”

The Secretary of State for Energy and Climate Change played an integral part in the negotiations. I understand that she was responsible for the section of the talks that dealt with immediate actions to tackle global warming between now and 2020, together with Pa Ousman Jarju of Gambia.

Unfortunately, the Prime Minister, the Secretary of State and the Government are better at talking the talk than they are at walking the walk. In the six months before the Paris discussions, they had reneged on many of their environmental and climate change commitments. They are in the process of privatising the UK Green Investment Bank without protecting the requirement to invest in green projects, and they have scrapped its zero-carbon homes pledge. They have cut the feed-in tariff, a subsidy for solar, by 64%, and tax relief for clean energy projects has been abolished. That could lead, as the Government freely admit, to more than 18,600 job losses. New onshore wind farms will not receive subsidies after 2016. Changes have been made to vehicle excise duty that severely reduce the incentives for low emissions vehicles by introducing a flat rate of VED, regardless of CO₂ emissions, after the first year.

I could go on. A £1 billion fund to invest in carbon capture and storage technology has been scrapped, breaking a manifesto pledge. The Government have stripped away safeguards to reduce the environmental risks of fracking and they have green-lighted fracking under national parks. Finally, the Government have still not committed to maintaining for the long term a reduced rate of VAT on solar panels, wind turbines and water turbines, an amendment on which we will discuss another day.

Time and time again, the Government pay lip service to the world’s appetite for better climate change policy, but they will not commit to any substantive action in Whitehall. That is not good enough. We need radical thinking if we are to achieve radical change. Around the world, Governments are supporting and promoting green energy. Germany’s energy transition policy has taken it to the point where, last year, 33% of its electricity was generated from renewable sources and the sector supported 355,000 jobs. In France, all new roofs must be nature or solar. In California, all new buildings up to 10 floors must be solar PV or solar thermal. Those are great examples of why radical policy is so important and the Government’s failures are so disappointing.

That lack of ambition is integral to our amendment. The climate change levy in its current form is an inadequate driver for the reduction of carbon emissions and energy usage at a time when we desperately need more radical action. It has become a tax-raising measure that is levied on energy, not on carbon. Until very recently that was not the case; electricity from renewable sources was exempted from the climate change levy. As we have seen, that exemption was removed by last year’s Finance Act, despite an outcry from the renewables industry. We are not aware of any assessment of the efficacy of the climate change levy since the removal of the exemption, which is why our amendment would require the report to make particular reference to it.

The second point of reference for the review will be the abolition of the carbon reduction commitment, which is why the rates of the levy are being increased. The carbon reduction commitment contained a requirement for participants to measure and report electricity and gas supplies annually, after which their carbon dioxide emissions would be calculated. Participants had to buy allowances for every tonne of carbon they emitted as calculated under the scheme. The CRC scheme therefore forced companies to be proactive, making participants think about and acknowledge their carbon emissions and actively work to reduce them in order to reduce their allowances. Labour Members are concerned that because the climate change levy has become a
straightforward consumption tax, it will just be absorbed into a company's costs and will not require the same level of proactive thought.

The Government's response to their consultation on energy taxation stated that respondents supported financial incentives to drive energy efficiencies and that views on the mechanism to deliver effective incentives were mixed. But the Government "decided not to introduce a financial incentive at this stage as it believes a simplified tax in the form of the CCL is a sufficiently robust signal".

Will the Minister confirm exactly why the Government decided not to introduce a financial incentive when it was popular with respondents, and why they believe that the climate change levy is a “sufficiently robust signal”?

A recent ENDS report stated: "It remains to be seen whether CCL alone will drive energy-saving effort and investment among the 2,000 or so CRC participants. To date, while there is evidence the CRC has driven change, there has been no clear evidence that CCL has done so outside Climate Change Agreements, other than through an ‘awareness effect’ when it was first introduced. The other concern has to be that the link between CCL and carbon reduction was weakened in the 2015 summer budget after business exemption for renewable electricity was removed."

We would, therefore, like the Government to assess properly how effective the CCL will be in replacing the advantages of the carbon reduction commitment, as outlined.

The final point of reference for the review will be the reporting requirements by companies and public sector bodies for energy usage and carbon emissions. I am aware that the Government have, as the Minister mentioned, committed to consulting on a new, simplified energy and carbon reporting framework to be introduced by April 2019 and to be published later this summer. The Government will propose “mandatory annual reporting for the organisations within its scope, with board or senior level sign-off and some public disclosure of data”.

We would certainly welcome that, but we are concerned that scrapping the CRC scheme may leave a few gaps whereby companies that previously had to report carbon emissions and energy usage no longer have to do so.

Indeed, the Committee on Climate Change highlighted the fact that the CRC scheme covered a range of large energy consuming organisations and energy intensive small and medium-sized enterprises. It said that the evidence suggests there is a gap in the overall policy framework to encourage energy efficiency and carbon reduction in SMEs. The committee recommended that if the CRC scheme is abolished, that should be accompanied by measures to enhance the policy landscape to stimulate energy efficiency and carbon reduction in SMEs.

If the Government think that simply raising the climate change levy will make up for scrapping the carbon reduction commitment, we would like to see their evidence. Does the climate change levy provide an equal incentive specifically to reduce carbon emissions? Will some companies that were required to report not now be required to do so? It is not good enough for the Government to streamline the regime if all they are doing is taking organisations out of having to address their emissions altogether. Labour Members therefore want assurances that the reporting requirements on businesses included in the CRC scheme will be considered when assessing how effective the climate change levy will be in reducing emissions.

The Government are tinkering around the edges of existing climate change policy without a clear strategy for how to meet our targets agreed on the world stage. If we are to have any chance of meeting the said targets, we simply must take more radical action, as evidenced in other nations across the world. The Opposition do not necessarily oppose scrapping the carbon reduction commitment or increasing the rates of the climate change levy, if doing so will be effective in reducing emissions. However, we remain to be convinced that that will be effective, and we will therefore push for a proper assessment from the Government before we support the measure in full. I therefore urge hon. Members to support amendment 183.

Kirsty Blackman: I rise to support amendment 183 on the changes to the climate change levy. The UK Government's idea to have a climate change levy was admirable. It was introduced in 2001, and it has been a positive step. It is completely reasonable that companies should be made to think about their energy usage, and the best way to do that is to tax them on it. The hon. Member for Salford and Eccles (Rebecca Long Bailey) made a wide-ranging speech on a series of matters, some of which I was going to speak about, so I will curtail my speech somewhat.

Although reducing companies' energy consumption and usage is a great idea, it fails to take into account the fact that some methods of generating electricity are better than others, particularly in terms of climate change. We cannot tax energy usage across the board given that energy generated from, say, onshore wind is much cleaner and better than energy generated from, say, a coal-fired power station. Those two things are very different, and it is completely reasonable to have variable tax rates for those two things.

The hon. Lady spoke about some of the impacts that the Government's energy policy is having on low-carbon energy. This Government do not have a good record on supporting low-carbon energy. Their support for nuclear has been widely reported, but the situation is very difficult for companies that are innovating in providing other forms of low-carbon energy in this ever-changing climate and in the UK Government's current policy framework.

It was announced in June that the Scottish Government had managed to meet their target for reducing greenhouse gas emissions by 2014. The target was a reduction of 42%, and it happened six years early. That was an excellent achievement for the Scottish Government and for Scotland as a whole, with everyone working together to reach it. However, it will be very difficult for us to keep up that level of achievement with the UK Government's current energy policy. For example, there is no clarity about when there will be a new pot 1 for contracts for difference. That pot is for onshore wind, which is very important. It is very clear that onshore wind is an established technology for generating electricity cleanly, and the UK Government need to provide greater clarity about when the next CFD round for it will be.

With Brexit, Scotland will have a major problem in that the funding for low-carbon energy and low-carbon energy projects, particularly the groundbreaking ones,
has come from the EU. I know that this is slightly outside the remit of this debate, but I would appreciate it if the UK Government looked at whether this funding will continue to be provided because we should continue to innovate in low-carbon energy in Scotland, which has massive natural resources.

8.15 pm

The hon. Lady also mentioned the absolutely shameful decision on carbon capture and storage, with the rug simply being pulled out from under the feet of investors. I tackled the Minister of State, Department of Energy and Climate Change, about this in the Scottish Affairs Committee a couple of weeks ago, and I was not happy with her response. I am not happy that I cannot see a climate in which carbon capture and storage can now be taken forward. The UK Government should have provided more certainty. If they suddenly decided they supported carbon capture and storage, I could completely understand it if nobody took it up, because the Government might change their mind again.

The climate change levy is penalising low-carbon electricity and putting barriers in the way of reducing carbon emissions within the climate change targets. That is not what we want: we should be moving forward, but this is a regressive step. The Government should produce a further report, as amendment 183 suggests, and I back that Opposition amendment.

Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP): I will focus on clauses 132 to 136, in part 9, and amendment 183, which pertain to the climate change levy. Both the hon. Member for Salford and Eccles (Rebecca Long Bailey) and my hon. Friend the Member for Aberdeen North (Kirsty Blackman) have spoken comprehensively on this subject, so I will keep my speech relatively short.

I have particular concerns about the removal of the exemption for electricity generated from renewable sources. I believe that this counterproductive decision will grossly undermine the development of the UK’s energy sector. The long-term future of our energy market is in renewables. The UK, and Scotland in particular, has extraordinary potential in the renewables sector.

Scotland has 25% of the wind and tidal potential in all of Europe, and 10% of the wave potential in Europe. For a small country—in both landmass and population, although it none the less represents a third of the UK landmass—these figures represent enormous potential not just for leading the world in renewable energy production, but in creating tens of thousands of jobs and ushering in substantial economic growth.

However, this Conservative UK Government seem determined to tear down any progressive policies that are designed to encourage and incentivise the production of green energy. Just this year, the Government have begun the process of privatising the Green Investment Bank, as the hon. Lady said. In addition, this Government have cut subsidies for small-scale solar panels by 65%, which is a massively damaging blow to the industry that can save households a few pounds.

As the hon. Lady and my hon. Friend the Member for Aberdeen North did, I will mention the scrapping of support for onshore wind, the removal of the biomass renewables obligation subsidy level guarantee, the killing of the flagship green homes scheme and the cancellation of the carbon capture initiative, which I was heavily involved in. What about the future? What hope is there for the Swansea Bay tidal programme, given the track record of this Government?

The climate change levy was a positive step in the right direction. It was a policy designed to provide a disincentive for polluting technologies. It is perverse that the climate change levy has been applied to green, clean energies. That is not what it was intended for. This change will have a disproportionate impact on Scotland, which despite having under 10% of the UK population, as my hon. Friend said, produces a third of the UK’s renewable energy.

Despite the austerity implemented by this UK Government, Scotland has continued to drive forward in reducing its carbon footprint and increasing the use of green electricity. As my hon. Friend also said, earlier this month it was announced that we in Scotland had reached our target of making a 42% reduction in carbon emissions by 2020, which is six years earlier than expected. The SNP Scottish Government have now set a more ambitious target of a 50% reduction in carbon emissions by 2020. However, I fear that despite our progress, unfortunate choices by the Conservative UK Government—both their ill-advised and counterproductive austerity obsession and the mishandling of the EU referendum, leading to a vote for Brexit—will mean regression, rather than progress on climate change and the promotion of renewable energy.

For those reasons, I wholeheartedly support amendment 183, in the name of the hon. Member for Salford and Eccles.

Damian Hinds: The climate change levy makes a significant contribution to the Exchequer’s revenues. It had been on a declining path, but with the changes that have come in, its path has been stabilised. It had been providing increasingly poor value for money, partly because a third of its value was going to generators overseas: that generation does not contribute to UK targets, and quite often benefits from subsidies and other benefits at home.

There was also only indirect support for renewables. This is a really important point that goes to the heart of what the hon. Members for Aberdeen North (Kirsty Blackman) and for Coatbridge, Chryston and Bellshill (Philip Boswell) were saying. The renewables obligation and contracts for difference are much more effective at providing direct support, at a higher level than the £5.54 per hour, to bring on the generation that we need.

The success of the deployment of renewables in this country paradoxically has an adverse impact on the effectiveness of the CCL exemption, such that by the early 2020s it would not be effective in stimulating new capacity to come on stream. Its value to generators would be declining, because the supply of renewables and therefore of the levy exemption certificates would exceed in volume the total potential demand from eligible customers in business and the public sector.

Kirsty Blackman: If the Minister is saying that the exemption will not be effective after 2020, does he concede that it would therefore be effective to keep it in place now?
Damian Hinds: Sir Roger, he does not. As I was trying to say, this is not a cliff-edge thing. Its effectiveness has been declining over time and a lot of the value leaks overseas. Most important of all, there are other ways of directly stimulating new renewables provision. Without getting too far into the weeds and the details of what goes where, those other ways make sure that the benefit goes directly to the generators rather than being split between different parts of the value chain. CfDs stabilise the price relative to some of the fluctuations of the wholesale market, which in turn increases investor confidence and can help drive investment.

The hon. Member for Salford and Eccles (Rebecca Long Bailey) asked about the transitional period, and her various parliamentary questions about the responses received to the informal consultation on that. Suppliers were invited to respond; of those that did, only one requested a transitional period in excess of three years. All others were content with an end date of 31 March 2018. Most said that they would have used their levy exemption certificates within a year. We have not published the results of that consultation because, as she rightly said, it included commercially sensitive information. The size of the sample and the number of responses mean that it does not make sense to speak in terms of the average period that was called for.

I turn to the abolition of the carbon reduction commitment and changes to the climate change levy main rates. Those are major simplifying moves. We had extensive consultations—both written consultations and meetings, a number of which I sat in on—and businesses said loud and clear that they wanted to simplify how it all worked. They valued the discussions that had taken place and the elevation of the role and salience of energy efficiency within their companies. But the CCL as a single tax will be a straightforward price signal. We will also be removing some of the additional administrative burden.

The Government will also consult on a simplified reporting framework this year, to encourage large businesses to identify energy efficiency savings. In addition to the tax changes, that will further enhance the UK’s ability to reduce its carbon emissions. The Department of Energy and Climate Change intends to publish an impact assessment of the changes later this year, alongside its consultation on a simplified reporting framework. That will include analysis of the impact on carbon emissions. Rebalancing CCL rates towards gas will better incentivise energy efficiency within their companies. But the CCL as a single tax will be a straightforward price signal. We will also be removing some of the additional administrative burden.

I will finish by restating, lest there be any doubt, the very firm commitment and strong track record of this Government on reducing emissions. Since 2010 we have reduced the UK’s greenhouse gases by 14% and outperformed our closest European counterparts with the largest cuts in greenhouse gas emissions since 1990. As the hon. Member for Aberdeen North mentioned, we secured the first truly global, legally binding agreement, the Paris agreement, COP21, with our Secretary of State playing a key role. Annual support for renewables will more than double, to more than £10 billion in 2020-21. We are the first major developed economy in the world to commit to phasing out unabated coal, the dirtiest fossil fuel, by 2025. We are the world’s leading player in offshore wind, with just over 5 GW installed, a figure that is forecast to double by the end of the Parliament.

There can be no doubt about the Government’s credentials when it comes to our commitment to reduce emissions. With these tax changes, we have reformed a tax that was proving less effective, over time, with regard to its original aim as stated in 2001, when of course the proportion of renewable electricity generation was so much lower—I believe it was 2.5% in those days. With the changes to business taxation we are keeping the price signal very firm—indeed, making it sharper—by reducing administrative burden. I encourage all hon. Members to support the clauses but not amendment 183.

Question put and agreed to.

Clause 132 ordered to stand part of the Bill.

Clauses 133 and 134 ordered to stand part of the Bill.

Clause 135

CCL: MAIN RATES FROM 1 APRIL 2019

Amendment proposed: 183, page 189, line 13, at end—

‘(3) The Chancellor of the Exchequer shall conduct a review of the impact of the Climate Change Levy in reducing carbon emissions within 12 months of the passing of this Act.

(4) The report shall have particular reference to—

(a) the removal of the exemption for electricity generated from renewable sources;

(b) the abolition of the Carbon Reduction Commitment; and

(c) reporting requirements by companies and public sector bodies for energy usage and carbon emissions.’—(Rebecca Long Bailey.)

The Committee divided: Ayes 237, Noes 303.

Division No. 24]

AYES

Abbott, Ms Diane  Campbell, rh Mr Alan
Abrahams, Debbie  Campbell, Mr Ronnie
Ali, Rushanara  Champion, Sarah
Allen, Mr Graham  Chapman, Douglas
Allin-Khan, Dr Rosena  Cherry, Joanna
Anderson, Mr David  Clegg, th Mr Nick
Arkless, Richard  Coaker, Vernon
Austin, Ian  Coffey, Ann
Bailey, Mr Adrian  Cooper, Julie
Bardell, Hannah  Cooper, Rosie
Barron, rh Kevin  Cooper, rh Yvette
Beckett, rh Margaret  Cowan, Ronnie
Benn, rh Hilary  Coyle, Neil
Berger, Luciana  Crawley, Angela
Betts, Mr Clive  Creagh, Mary
Blackford, Ian  Creasy, Stella
Blackman, Kirsty  Cruddas, Jon
Blackman-Woods, Dr Roberta  Cryer, John
Blenkinsop, Tom  Cummins, Judith
Blomfield, Paul  Cunningham, Alex
Boswell, Philip  Cunningham, Mr Jim
Brennan, Kevin  Dakin, Nic
Brock, Deidre  Danczuk, Simon
Brown, Alan  David, Wayne
Brown, Lyn  Davies, Geraint
Brown, rh Mr Nicholas  Day, Martyn
Bryant, Chris  Docherty-Hughes, Martin
Buck, Ms Karen  Donaldson, Stuart Blair
Burden, Richard  Dowd, Jim
Burgon, Richard  Dowd, Peter
Butler, Dawn  Dromey, Jack
Byrne, rh Liam  Dugher, Michael
Cadbury, Ruth  Durkan, Mark
Cameron, Dr Lisa  Eagle, Ms Angela

[8.28 pm]
Edwards, Jonathan
Elliott, Julie
Elliott, Tom
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Fellows, Marion
Ferrier, Margaret
Field, rh Frank
Fitzpatrick, Jim
Fiello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Foxcroft, Vicky
Gapes, Mike
Gardiner, Barry
Gethins, Stephen
Gibson, Patricia
Glass, Pat
Glindon, Mary
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Hayes, Helen
Healey, rh John
Hendry, Drew
Hillier, Meg
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Holmer, Kate
Hopkins, Kelvin
Hosie, Stewart
Hunt, Tristram
Hug, Dr Rupa
Hussain, Imran
Jarvis, Dan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Kane, Mike
Keeley, Barbara
Kerevan, George
Kerr, Calum
Kyle, Peter
Lamb, rh Norman
Lavery, Ian
Law, Chris
Leslie, Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Lewis, Mr Ivan
Long Bailey, Rebecca
Lucas, Caroline
Lynch, Holly
Mactaggart, rh Fiona
Madders, Justin
Mahmood, Mr Khalid
Malhotra, Seema
Mann, John
Marris, Rob
Marsden, Mr Gordon
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCaig, Callum
McCarthy, Kerry
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, John
McFadden, rh Mr Pat
McGarry, Natalie
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McMahon, Jim
Meale, Sir Alan
Mearns, Ian
Monaghan, Carol
Monaghan, Dr Paul
Moon, Mrs Madeleine
Morris, Grahame M.
Mulholland, Greg
Mullin, Roger
Murray, Ian
Newbold, Gavin
Nicolson, John
O’Hara, Brendan
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Oswald, Kirsten
Owen, Albert
Pateen, Mr Steven
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Pugh, John
Qureshi, Yasmin
Rayner, Angela
Reed, Mr Jamie
Reed, Mr Steve
Rees, Christina
Reeves, Rachel
Reynolds, Jonathan
Rimmer, Marie
Ritchie, Ms Margaret
Roberson, rh Angus
Robinson, Mr Geoffrey
Rotheram, Steve
Ryan, rh Joan
Saville Roberts, Liz
Shah, Naz
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, rh Mr Andrew
Smith, Angela
Smith, Cat
Smyth, Karin
Spellar, rh Mr John
Starmer, Keir
Stephens, Chris
Stephens, Jo
Streeting, Wes
Stringer, Graham
Stuart, rh Ms Gisela
Tami, Mark
Thewiss, Alison
Thomas-Symonds, Nick
Thompson, Owen
Thomson, Michelle
Thornberry, Emily
Trickett, Jon
Turley, Anna
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Watson, Mr Tom
Weir, Mike
Adams, Nigel
Afrifie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Andrew, Stuart
Ansell, Caroline
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Bellingham, Sir Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Berry, James
Bingham, Andrew
Blackman, Bob
Blackwood, Nicola
Boles, Nick
Bowick, Victoria
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brazier, Mr Julian
Bridge, Andrew
Brine, Steve
Brookshires, rh James
Bruce, Fiona
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burrowes, Mr David
Burt, rh Alistair
Cairns, rh Alun
Carmichael, Neil
Cartidge, James
Caulfield, Maria
Chalk, Alex
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Kenneth
Cleverly, James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colville, Oliver
Costa, Alberto
Cox, Mr Geoffrey
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Whitford, Dr Philippa
Williams, Hywel
Williams, Mr Mark
Wilson, Phil
Winnick, Mr David
Winterton, rh Dame Rosie
Wishart, Pete
Woodcock, John
Zeichner, Daniel

Tellers for the Ayes:
Sue Hayman and
Jeff Smith

NOES
Crabb, rh Stephen
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Dr James
Davies, Mims
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donelan, Michelle
Dorries, Nadine
Double, Steve
Dovey-Price, Jackie
Drax, Richard
Drummond, Mrs Fiuck
Duddridge, James
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evennett, rh Mr David
Fallon, rh Michael
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fuller, Richard
Fysh, Marcus
Garnier, Mark
Ghani, Nusrat
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Insurance premium tax is due on general insurance products, which can serve the same purpose as a saving product. Reinsurance is also exempt to avoid double taxation. For consumers, reinsurance is also exempt to avoid double taxation. The distortion between savings products and long-term insurance products is exempt from insurance premium tax to avoid creating a distortion between savings products and long-term insurance products. Exempt insurance products, which accounts for approximately 20% of total insurance premiums, includes long-term insurance such as life insurance and critical illness cover. Long-term insurance products are exempt from insurance premium tax. Exempt insurance includes long-term insurance such as life insurance and critical illness cover. Long-term insurance products are exempt from insurance premium tax.

8.45 pm

Most insurance subject to insurance premium tax is taxed at the standard rate, which will be increased to 10%. There is also a higher rate of insurance premium tax that applies to travel insurance and to certain warranty insurance. This is charged at the higher rate of 20% to prevent VAT avoidance and it is unaffected by this change. Although insurance premium tax is charged on general insurance, there is no VAT at all on any sort of insurance.
Clause 129 sets out an increase in the standard rate of IPT from 9.5% to 10%, which will raise around £210 million a year to be used to fund investment in flood defences and resilience. Over this spending review period, we will spend an extra £700 million on flood defence and resilience measures in England. This is in addition to our existing £2.3 billion flood defence capital programme.

As announced in the Budget, the additional investment in flood defences will be split between maintenance and capital spending. Maintenance funding will be increased by £40 million a year, taking it to more than £1 billion in total over this Parliament. This will help to protect an extra 20,000 homes by keeping existing defences operational. In the Budget, the Government also announced over £150 million of additional capital spending, which will fund schemes in areas affected by last December’s floods. This will include £115 million for Yorkshire with schemes in Leeds, York and the Calder valley better to protect 3,000 homes and 1,700 businesses. Some £33 million will be invested in Cumbria better to protect 1,700 properties and key local infrastructure.

The findings of the national flood resilience review, which is considering the resilience of our communities and infrastructure, will help the Government to decide how remaining funding is to be spent. It will report in the autumn. As flood defence spending is a devolved matter, the Barnett formula will be applied in the normal way, and funding will be provided to the devolved Administrations in line with that being spent in England.

The new standard rate of IPT will be 10% and will take effect from 1 October 2016. This change will directly affect all insurers who write premiums for general insurance. It may also affect businesses and households that purchase general insurance, if those insurers choose to pass on the additional cost of the tax on to their customers. As I said, IPT is a tax on insurers, so it is for insurers to decide whether to adjust their prices in response to this rate change.

Many factors affect the cost of insurance. These include the insurer’s assessment of risk, competition in the market and how well insurers’ investments are performing. Insurers’ costs also affect pricing and, in common with other businesses, they have benefited from cuts to corporation tax. Even if insurers decide to pass on the entire impact of the rate change, this would add only about £1 to the average home and contents insurance policy and £2 to the average motor insurance policy.

Increasing the standard rate of IPT by 0.5% will raise revenue to invest in flood defence and resilience, which will enable us better to protect against floods such as those we saw last winter. This clause should therefore stand part of the Bill.

Kirsty Blackman: I appreciate the chance to deal with insurance premium tax. Reducing tax was raised by the SNP at some length last year, when the Government undertook a spending review period, we will increased it by about 3.5%, from 6% to 9.5%. We were a bit concerned that this amounted to an incredible hike with very little warning, possibly setting a precedent.

I want to make it clear that we are not against spending additional money on flood defences. Given the climate change issues that we face and the devastating impact of floods on communities, we think that is a good idea and we completely understand why the UK Government are choosing to spend money on it. My issue is that raising insurance premium tax might be the wrong way of doing so—I do not want people to be discouraged from taking out insurance. The Minister said that the clause might mean only a minor change in people’s bills, but I am concerned less about the 0.5% increase than about the precedent that has been set by what is happening this year and what happened last year. My main fear is that the UK Government will decide on a further increase.

This morning the Chancellor said that the UK economy was affected by the fact that the markets were currently volatile, and that that volatility would continue. In such circumstances, we do not want people to worry about their future finances, and not to take out insurance because the economy is uncertain and they do not know how the financial situation will develop. It is necessary to have home insurance, just as it is necessary to have motor insurance, but premiums have increased significantly, mostly because of problems caused by climate change. Although the average increase will be £1, people who have been hit by flooding are having to pay massive premiums, and the 0.5% increase is likely to have a disproportionate impact on them.

We do not intend to press the clause to a vote, because we do not want Members to have to stay here longer than they have to, but I appreciate the opportunity to speak about it. Let me end by emphasising that our concern relates to the longer term. Although 0.5% is a fairly minor hike, if the amount continues to rise year on year there will be an additional problem for household budgets, and a negative impact every year.

Richard Burgon (Leeds East) (Lab): I am pleased to be able to add my contribution to those already made by Members on both sides of the Committee.

As my hon. Friend the shadow Financial Secretary has said, the Bill is rooted in unfairness, and we fear that this tax change may engender further unfairness if it is passed on to customers. Clause 129 increases the standard rate of insurance premium tax from 9.5% to 10%, initially from this October, and all premiums, including those in the special accounting scheme, will be subject to it from February 2017. The Chancellor also announced in the Budget that the funds generated by the increase would be allocated to increased spending on flood defences. What concerns us is how this will affect the insurance market, how it will affect the millions of customers who need access to insurance, and how effectively it will deliver the flood defences that we so desperately need.

This is the third increase in insurance premium tax under the current Chancellor, following increases in 2011 and in last year’s Finance Bill. The first increase was from 5% to 6%, a comparative leap of 20%. Last year’s increase was from 6% to 9.5%, and there was then a 58% leap. This year’s 0.5% increase to 10% is therefore comparatively smaller. Some insurance companies have welcomed the fact that it was not larger, but it follows hot on the heels of the previous change. The frequency of increases is picking up, and that frequency is causing concern.

In March, Ben Flockton of PricewaterhouseCoopers said that of
“concern to many insurers is the prospect of gradual but frequent rate rises.”
David Jordeson, of the Association of British Insurers, said recently that the association had urged
“HM Treasury and HMRC to revisit the arrangements for how rises are implemented”

in order to

“put members on a clearer footing when future rises come”. Perhaps the Minister will put us straight on whether the Government expect to hold the current rate where it is after the Finance Bill, for the next five years or for just one year—or will we see a further change in the autumn statement? I am sure that the industry, consumer groups and policyholders will be hanging on to our words in this debate.

The latest increase brings the standard rate of the tax up to a total of 10%, which is a doubling—a 100% increase—since 2011. Cumulatively, these three rate rises being passed on to customers would have a real impact on disposable incomes and on policy uptake. We understand that this change will have an impact on 26 million drivers and 20 million households. It will also hit 3 million pet policies and 3 million private medical policies. Our concern is that the industry will pass on this cost to its customers. Moneysavingexpert.com put it bluntly when it said:

“Millions of households and motorists will pay more...a further rise in the cost of pet, car, mobile, contents, buildings and private medical insurance”.

James Dalton, director of general insurance policy at the Association of British Insurers, said:

“Another increase in Insurance Premium Tax would be a raid on the responsible that laser-targets those who do the right thing. It will hit those on low incomes and increase the risk that some people reduce their cover or stop insuring altogether.”

Chas Roy-Chowdhury of the Association of Chartered Certified Accountants said that

“the rise will affect anyone who has home or car insurance wherever they live.”

More recently, in the last few weeks, the AA has published its latest British insurance premium index, covering the first few months of 2016. It found that the average quoted “shop-around” premium—that is, the average of the five cheapest quotes for each customer in a variety of scenarios—had jumped by 5.4% to £114.52 a year at the end of March 2016. So the emerging evidence is of an increase in cost of insurance to the customer.

I will come to the issue of flood defences later, but the Chancellor stated in his Budget speech that this measure is of an increase in cost of insurance to the customer.

The Government’s policy paper also says that no equalities impacts have been identified. The Association of British Insurers has highlighted the fact that many families face insurance bills around £100 higher as a result of last year’s increase. We are concerned that this is a tax burden that will ultimately be paid by ordinary people taking the responsible approach and insuring their homes and motor vehicles. What will it mean for those on lower incomes? Will younger or older drivers be disproportionately adversely affected? How will the change’s impact be monitored? Our worry is about the impact of rising costs, contributing to our overall concern about the Finance Bill as a whole. That is why, when the last change to insurance premium tax was discussed in the previous Finance Bill just a few months ago, my hon. Friend the Member for Worsley and Eccles South (Barbara Keeley) tabled an amendment.

9 pm

On the first day in Committee of last year’s Finance Bill, Labour tabled an amendment seeking a review of the impact of the then more significant rise. The review would have happened within three months of the passing of the Act and would have looked into the impact of any further rise in the standard rate of insurance premium tax, with particular attention paid to the impact on those charged for insurance policies and the take-up of insurance policies. Those concerns still stand.

When the coalition Government first increased IPT in 2011, the Financial Secretary said that

“the increase in insurance premium tax, which is payable by insurers, is likely to be passed on to consumers. We are not denying that; in simple terms, we need the money.”—[Official Report, 15 July 2010; Vol. 513, c. 113.] In September last year, the Minister said that

“we expect that any impact on consumers will be modest”

and that

“the average household expenditure on insurance would increase by 70p per week.”—[Official Report, 8 September 2015; Vol. 599, c. 311.]

So here we are again. Can the Minister confirm, to the best of her knowledge, whether this year’s increase will be passed on to consumers? Does she still stick to those figures?

We have already asked that the previous increase be subject to a review and still believe that such a review is important, so that we have the clear evidence before us of the impact on customers. That is our position and that is why we are not supporting clause 129 tonight and recognise the concerns of the SNP. So much of the Bill requires change that we are already obliged to reject it.

what will be the impact of the insurance premium tax and the Flood Re levy being passed on to customers? Our concern is the effect on take-up for those on the margins—that is, those hit by other attacks on income in this Finance Bill, in the Chancellor’s Budget and, who knows, in his emergency Budget yet to come, as well as those hit by successive cuts to pay, pensions and protection of welfare payments over the past six years. The Government’s policy paper relating to the change in the Bill states:

“The measure is expected to have a small impact on individuals and households purchasing insurance which is not exempt from IPT, if insurers choose to pass on the IPT rate rise to customers”. I would like to take this opportunity to ask the Minister what the term “small impact” means. Which individuals and households will be impacted upon? What discussions did the Treasury hold on the likelihood of the increase being passed on to customers, both with insurance providers and with consumer groups?

The Government’s policy paper also says that no equalities impacts have been identified. The Association of British Insurers has highlighted the fact that many families face insurance bills around £100 higher as a result of last year’s increase. We are concerned that this is a tax burden that will ultimately be paid by ordinary people taking the responsible approach and insuring their homes and motor vehicles. What will it mean for those on lower incomes? Will younger or older drivers be disproportionately adversely affected? How will the change’s impact be monitored? Our worry is about the impact of rising costs, contributing to our overall concern about the Finance Bill as a whole. That is why, when the last change to insurance premium tax was discussed in the previous Finance Bill just a few months ago, my hon. Friend the Member for Worsley and Eccles South (Barbara Keeley) tabled an amendment.

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“we expect that any impact on consumers will be modest”

and that

“the average household expenditure on insurance would increase by 70p per week.”—[Official Report, 8 September 2015; Vol. 599, c. 311.]

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Turning to the flood defence spending this tax raise will fund, around 5.4 million properties in England are at risk of flooding from rivers, the sea or surface water. Annual flood damage costs for the whole of the UK are estimated to be in the region of £1.1 billion. There was a significant increase in flood defence spending from 1997 to 2010—an increase of three quarters in real terms. We all remember which party was in government then. Spending on maintaining flood defences fell by 6% a year from 2010-11 to 2014-15, and we all know which Governments were in power then. Given the cuts that have been imposed on flood defences under the current Chancellor, will the £700 million bonus from the insurance premium tax deliver sustainable and equitable funding? The Committee on Climate Change recently concluded that a £500 million gap has emerged between what the coalition spent between 2011 and 2015 and what is required to keep pace with climate change. Friends of the Earth acknowledged that the Chancellor has closed the gap, which is welcome, but he still needs to ensure that future investment keeps pace with rising flood risk.

A £700 million increase on top of the announced £2.3 billion spend is welcomed by the Opposition, but does it deliver what we need and is it sustainable? Will the Minister comment on how the decision was made to “technically hypothecate” the funds raised for flood defences by the measure and what the rationale is? There are few instances of hypothecated taxation in the UK. While the obvious link between the need for flood insurance and the provision of flood defences can be argued, that is not the case so much for those paying other forms of insurance, such as pet insurance. Currently, flood defences are funded through general taxation. Why could the £700 million increase not be found that way? Huw Evans at the Association of British Insurers has argued against the “technical hypothecation”, writing in his reflection on the Budget that

“It is a slippery slope and we have to continue to argue for all flood defence spending to come from central expenditure”.

Can the Minister say something about the decision to fund flood defence spending through this new tax increase? Was it discussed with flood insurers in advance? How will she monitor the spending to ensure that it delivers the £700 million stated? As the number of floods increase, will the rate be increased? Fundamentally, just so that this is on the record, can she confirm whether or not hypothecation will take place?

In his Budget speech, the Chancellor highlighted representations from the hon. Members for Calder Valley (Craig Whittaker) and for Morley and Outwood (Andrea Jenkyns) for flood defence funds, saying that this measure would include funding for schemes in Yorkshire and Cumbria. I would highlight recent contributions by my hon. Friends the Members for Leeds West (Rachel Reeves) and for York Central (Rachael Maskell), who have raised on a number of occasions in recent months the issue of the sufficiency—or otherwise—of the Government’s funding plans. The Government have since clarified that the extra funding meant £115 million for Yorkshire, covering Leeds, York and Calder Valley, and £33 million extra in Cumbria. Forgive me for talking about my home city, Mr Chairman, but that translates as £65 million for Leeds when the Environment Agency in 2011 said the River Aire in Leeds needed a £160 million plan.

As climate change continues, through the inaction of the Government in this area, we are increasingly likely to need to identify resources to fund flood prevention measures. Once the funds from the increase in insurance premium tax are exhausted, will the Government simply continue to raise it? I would question whether this is enough and whether seeking to provide extra cash through IPT is a stop-gap to patch things up. Patching things up is not enough, given the impact of climate change and the increasing likelihood of further flooding, but patching up is all we get from a Government who are prepared to slash spending on welfare while giving freebies to the wealthiest in capital gains tax. We are therefore going to monitor the impact of the rise in IPT, its effect on the industry and on customers, and its effectiveness in delivering the flood defences we need. We will not vote on the clause stand part, but we will continue to oppose this Finance Bill.

**Harrriet Baldwin:** I know the Opposition are having a hard time being an Opposition at the moment, but it can only be left to the imagination how hard they might find some of the difficult choices people have to make in government. We all agree that flood defence spending is an incredibly important part of what we need to do to help our communities. The hon. Member for Leeds East (Richard Burgon) is a Leeds MP, so I would have liked more of a welcome from him for the millions of pounds of additional funding this measure will give fund flood defence in his constituency. I, too, represent a very flood-prone area, with it containing the confluence of the Rivers Severn, Avon and Teme, and nobody in government argues for more money for flood defences more than I do. It is very important that we continue to find ways to make our country more resilient to what will occur on unpredictable occasions when we have the kind of weather that we had last winter.

The hon. Member for Aberdeen North (Kirsty Blackman) was right to point out the importance of flood defence spending. She was concerned about the fact that this Budget raises IPT by 0.5% and asked whether it was our policy to make any further changes to IPT. On that, I will have to give her the standard Treasury Minister answer, which she can probably guess: the Government keep all taxes under review. As others have pointed out, this 0.5% increase is considerably less than was feared at the time of the Budget announcements.

In terms of the availability of flood insurance for homeowners, the Flood Re initiative has been very helpful and beneficial in making sure that homeowners who perhaps in the past found it difficult to access affordable flood insurance are able to continue to access that. That has been very widely welcomed by those homeowners across the country, and I can certainly say in terms of my constituency experience that it is important that people shop around. If their existing insurer is causing difficulties in terms of price changes, it is worth getting in touch with the excellent British Insurance Brokers Association, who can be very helpful in terms of alternatives.

The hon. Member for Leeds East asked about hypothecation and about rate increases. We need to keep this in perspective. Although I welcome the Labour party’s sudden welcoming of lower taxes—something I hope all parties can subscribe to—we do need to raise tax revenues. The hon. Gentleman asked what this will actually cost. For average annual combined contents and buildings insurance, this would add just £1 to the
annual bills, or 2p a week. For the average motor insurance premium, it will add just £2 a year or 4p a week. Just going from one petrol station to a slightly better value petrol station can save considerably more than that, which puts this measure into perspective.

I cannot imagine that there is anything more exciting to watch on television at the moment than this debate, but if there is, it may explain why the Chamber is not particularly vigorously attended. However, with those points answered, and given that the link we have made—rather than the explicit hypothecation—means that these measures have been pretty widely welcomed by all commentators, without any further ado, given rival attractions on television, I would like to commend this clause to the House.

Question put and agreed to.

Clause 129 accordingly ordered to stand part of the Bill.

To report progress and ask leave to sit again.—([Margot James.]

The Deputy Speaker resumed the Chair.

Progress reported; Committee to sit again tomorrow.

### Business without Debate

**ESTIMATES**

Motion made, and Question put forthwith (Standing Order No. 145(3)),

That this House agrees with the Report of the Liaison Committee of 15 June:

That a day not later than 5 August be allotted for the consideration of the following Estimates for financial year 2016-17:

Ministry of Justice, insofar as it relates to courts and tribunal fees.

Department of Energy and Climate Change, insofar as it relates to energy spending priorities: impacts on investors and consumers.—([Margot James.]

Question agreed to.

### BUSINESS OF THE HOUSE (29 JUNE)

Ordered,

That, at the sitting on Wednesday 29 June—

(1) notwithstanding paragraph (2)(c) of Standing Order No. 14 (Arrangement of public business), opposition business may be entered upon at any hour and may be proceeded with, though opposed, for three hours; proceedings shall then lapse if not previously disposed of; and Standing Order No. 41A (Deferred divisions) shall not apply; and

(2) proceedings on the business determined by the Backbench Business Committee relating to the centenary of the Battle of the Somme may be entered upon at any hour, may continue for three hours and shall then lapse if not previously disposed of.—([Margot James.]

### Student Loan Repayments

**Motion made, and Question proposed.** That this House do now adjourn.—([Margot James.]

9.13 pm

Valerie Vaz (Walsall South) (Lab): This debate comes against the backdrop of the tumultuous events that took place in the UK following the referendum last Thursday. I applied for the debate before that time, so I am grateful I was granted it and I am here today. I also want to thank the Library for providing timely responses to some of the queries I had.

Just before the historic vote on the EU, students were receiving statements of their loans with a total figure that left many of them in shock. On a loan of £27,000, the figure was £45,000. I want to acknowledge the fact that young people between the ages of 18 and 25 voted overwhelmingly—by 75%—to stay in the EU, so we need to make sure we do not forget them and their future.

I want to focus on the regulations, the threshold and concerns about the contract. The regulations that brought in the changes to the threshold and interest rates were enacted in 2012. They were the Education (Student Loans) (Repayment) (Amendment) (No. 2) Regulations, which came into force in June 2012, so the first students to take up the loans affected by these regulations have just graduated. In those regulations tuition fees were trebled, a higher threshold of £21,000 was established, above which the loan had to be repaid, and a new maximum rate of interest for the loans was set, using the retail prices index plus 3%. Not content to treble tuition fees, the Government in the summer Budget of 2015 froze the threshold of £21,000. I shall focus on that threshold.

In November 2010 the then Minister, David Willetts, made a statement in which he said:

“We will increase the repayment threshold to £21,000, and will thereafter increase it periodically to reflect earnings. The repayment will be 9% of income above £21,000... raising the threshold will reduce the monthly repayments for every single graduate.”—[Official Report, 3 November 2010; Vol. 517, c. 924.]

Then in July 2015 the Government consulted on freezing the repayment threshold. In November 2015 the responses showed that 84% were against freezing the repayment threshold for all post-2012 borrowers, but the Government went ahead against the evidence to freeze the repayment threshold until April 2021.

Why did the Government do that in the face of all the evidence? Is that not a prima facie case of misleading Parliament? In his statement Minister Willetts said that he would increase the threshold, yet the Government acted against all the evidence and the consultation responses. The Government’s own figures on the repayments show the inequity of this. The new scheme is far from progressive, as some Ministers claimed. Graduates earning £21,000 to £30,000 will have to pay £6,100 more, those earning over £40,000 will pay only £400 extra, and those on £50,000 will pay only £200.

Jim Shannon (Strangford) (DUP): Will the hon. Lady give way?

Valerie Vaz: I will.
Jim Shannon: Mr Deputy Speaker, I did seek permission from the hon. Lady.

Mr Deputy Speaker (Mr Lindsay Hoyle): I have absolutely no problem with the hon. Gentleman intervening, but he should wait a little longer, rather than walking into the Chamber to intervene. Come on, Mr Shannon—the night would not be the same without you.

Jim Shannon: You are most kind, Mr Deputy Speaker. I spoke to the hon. Lady beforehand. I want to put on record the fact that in Northern Ireland loans begin to be paid back when the student enters employment and earns more than £17,335 a year. The interest rate for loans is currently 1.5% and the more a graduate earns, the greater the proportion of their loan they repay, ensuring that those who benefit most from their degree pay the most, and those who do not benefit as much are not unreasonably punished for it. Does the hon. Lady agree that perhaps the Minister should look at the system that we have in Northern Ireland, which seems to be fairer?

Valerie Vaz: I thank the hon. Gentleman for his intervention. I can say in his defence that most of us were taken by surprise that the Adjournment started so early. I agree with him that the Northern Ireland system seems to be much fairer.

I do not call the figures that I have just given progressive, and nor does the Institute for Fiscal Studies, which found that the impact of freezing the threshold was that the largest increase as a proportion of earnings was among lower earners. Can the Government explain why they have chosen to make the student funding system less progressive by removing the central elements of the 2012 reforms?

What of women, black, Asian and minority ethnic and disabled graduates? They are most likely to be on salaries in the region of £21,000 to £30,000. The Government have acknowledged that. Let me give an example. In the 2013-14 cohort, 8,000 more women than men were paid in that range six months after graduation, and 51% of BAME graduates were employed on salaries in that range, compared with 45% of their white graduate counterparts. What measures have the Government implemented to mitigate the disproportionate effect on those on low incomes, women, disabled graduates and BAME graduates? Those groups earn less than other graduates, so they are more likely to be middle earners—those who face the largest absolute increase in repayments.

What of prospective students in the nursing profession, who could be deterred by high levels of debt? The Royal College of Nursing is concerned about the change to a loans-based system, which will leave many nursing students with debts of £60,000 for a three-year degree. We are desperately in need of nurses from this country who are trained and qualified in this country.

The National Union of Students, which represents more than 95% of all higher education and further education unions and more than 7 million students, has expressed concerns. First, the repayment threshold will not increase in line with earnings, so students have to start repaying their loans on a lower income. Secondly, those on lower incomes pay more than they otherwise would. Thirdly, the NUS is concerned about the Government being able to change terms retrospectively and about the impact that that would have on existing borrowers, which the union says sets a terrifying precedent.

Patrick Grady (Glasgow North) (SNP): I congratulate the hon. Lady on securing the debate. I declare an interest because, despite having graduated in 2001, I am still paying off student loans, although I fall under the old system, where the threshold is the median wage. However, that means that payments can go up or down, depending on someone’s earnings. I have paid off student debts for a while, gone back down below the median and then re-accumulated interest, which has negated the payments I previously made. However, does the hon. Lady share my concern about the Government’s continual selling-off of student loans? It seems to be a never-ending chain, and it is not entirely clear who benefits, other than the private companies that own these loans.

Valerie Vaz: I absolutely agree with the hon. Gentleman. I am coming to an aspect where student loans are treated differently from any other ordinary loans.

Let me turn to the contract. The Government are asking 17 and 18-year-olds to look at contract terms and understand them. These young people are not financial advisers or lawyers—they are going to university so that they can become financial advisers and lawyers. The role of teachers is to encourage students to go to university, not to give financial advice.

Under the new 2012 system, however, interest rates can vary across the lifetime of a loan, with one rate while the student is studying, another rate when they graduate but are under the repayment threshold, and another rate when they are over the threshold. That is a complicated system, unlike the one described by the hon. Member for Strangford (Jim Shannon), which is much clearer. How can a 17 or 18-year-old be expected to understand these terms, particularly when the table of circumstances is not set out in the contract or attached to it, and students receive no financial advice?

We are told that the guidelines and terms are set out in a separate publication, and the students are told to look at the documents online. The information that is provided and the representations that are made that lead them to sign the contract could be a form of mis-selling. The contract terms could be described as unfair or as “void for uncertainty” because it is not clear on the face of the contract what the student is signing up to—there are no clear terms regarding exactly what they have to repay.

Nor is any financial information provided—for example through a financial adviser. When we take out a mortgage, we have someone sitting down in front of us explaining everything. The students are not given that, but they are expected to sign up to paying back a loan—in some instances, of £45,000. We need to be able to protect our young people.

Worse still, student loans are not subject to financial regulations and consumer protections, as is the case with other loan agreements. That must change, and I say to the Minister that there is an opportunity in the Higher Education and Research Bill to add that extra regulatory protection.
What assessment have the Government made of the exemption of student loan agreements, unlike other loans, from consumer credit protection? Why do the Government not want to protect our young people? Can the Minister confirm whether there are any plans to alter other terms and conditions of the student loans given to existing borrowers? It cannot be right that the Bank of England base rate is 0.5%, when students are paying RPI plus 3% on their loans. How can we treat our young people, who are the future, in this way? No wonder they are bewildered, confused and upset.

A Minister comes to the House to say that there will be an increase in the threshold, and the Government ignore it; the consultation gives an 84% response and the Government ignore it and press ahead with the proposal; and a young person has to sign a form with contract terms in another document online, with three rates of interest. Students should not be burdened by debts but should enjoy the benefits of their hard work and achievements.

9.25 pm

The Minister for Universities and Science (Joseph Johnson): I congratulate the hon. Member for Walsall South (Valerie Vaz) on securing this important debate. Student loans are an important means of ensuring that higher education is open to all. I am glad to have the opportunity to respond to her points and others made in the debate.

This Government have done more than any other to put the financing of higher education on to a secure and sustainable footing. England has some of the finest universities in the world, and it is vital for our future economic prospects that they remain well funded. Total funding for the sector has increased from £22 billion in 2009-10 to £28 billion in 2014-15, and it is forecast to reach £31 billion by 2017-18. We must ensure that our universities have the resources they need and that every student receives a high-quality experience during their time in higher education.

When we reformed student finance in 2011, we put in place a progressive system of student loans that means that higher education is accessible to all who have the potential to benefit from it, irrespective of their ability to pay—and the system is working. Students from disadvantaged backgrounds are going to university at a record rate—up from 13.6% of those from the most disadvantaged backgrounds in 2009 to 18.5% of those same groups today in 2015. Someone from a disadvantaged background is now 36% more likely to go to university and we must ensure that we generally benefit from higher earnings than those who do not go to university, and we must ensure that we maintain a fair balance between taxpayers and graduates in the costs of higher education.

When we reformed student finance in 2011, we put in place a progressive system of student loans that means that higher education is accessible to all who have the potential to benefit from it, irrespective of their ability to pay—and the system is working. Students from disadvantaged backgrounds are going to university at a record rate—up from 13.6% of those from the most disadvantaged backgrounds in 2009 to 18.5% of those same groups today in 2015. Someone from a disadvantaged background is now 36% more likely to go to university than they were under the previous Labour Government. The reforms have supported an increase in participation in higher education across the country. In the hon. Lady’s own constituency, participation has increased from 25.1% in 2010 to 31.4% in 2015. Walsall South now sends a higher proportion of 18-year-olds into higher education than the English average—a reversal of the situation that existed under the previous Labour Government.

The student loans system is fair and sustainable. It removes financial barriers for anyone hoping to study and is backed by the taxpayer, with outstanding debt written off after 30 years. Students get a fair deal. Graduates pay back only 9% of earnings above £21,000 and enjoy an average wage premium of £9,500 per year over non-graduates.

Jim Shannon: In my intervention on the hon. Member for Walsall South (Valerie Vaz), I mentioned that the system we have in Northern Ireland is much more manageable than the system here on the mainland. Has the Minister had a chance to look at how the Northern Ireland example works and gives a better response to students when it comes to repayment?

Joseph Johnson: Yes, of course. Higher education has been devolved in Scotland and Wales since 1999 and in Northern Ireland since 2007, and we continue to look at how other nations within the United Kingdom choose to allocate public funds to the higher education system to see what lessons are to be learned from that.

In England, we now have a fair and sustainable system of funding our higher education system. The £21,000 threshold is higher than the one we inherited from Labour, and is fairer on lower earners. The system is also more progressive. Interest rates after graduation increase with income so that higher earners repay more. For someone earning £21,000 or less, the interest rate is set at RPI—the loan balance does not increase in real terms. For graduates who earn more than this, the interest rate increases to a maximum of RPI plus 3%. It is only fair that the graduates who have benefited most from their education should pay the most back into the system.

Student loans are very different from a mortgage or credit card debt. Repayments are determined by income, not the amount borrowed. Graduates are protected; if at any point their income drops, so do their repayments. The loans are income-contingent, so borrowers will repay only if they earn above the threshold, and, as I said, the loans are written off after 30 years, meaning that many graduates will not repay the full amount. This is a crucial part of the taxpayer’s investment in our country’s skills base.

Our approach is based on the fundamental principle that a borrower’s contribution to the cost of their education should be linked to their ability to pay. Graduates generally benefit from higher earnings than those who do not go to university, and we must ensure that we maintain a fair balance between taxpayers and graduates in the costs of higher education.

It is clearly important that students know what they are signing up to when they agree to take out their loans. All students are provided with clear information to help them understand what financial support they may be eligible for, as well as the interest rates and the repayment terms that will apply. They must also confirm that they understand the information before they are granted the loan. All of the information that the Student Loans Company provides to students is reviewed regularly to ensure that it is both accurate and accessible.

Let me turn to the threshold freeze, which the hon. Member for Walsall South has mentioned. To put higher education funding on to a more sustainable footing, we must ask graduates who benefit from university to meet more of the costs of their studies. It is clear that graduates benefit hugely from higher education. On average, graduate earnings are much higher than those of non-graduates. In 2015, graduates’ salaries averaged £31,500, compared with a non-graduate average salary of £22,000. The only alternative to asking higher-earning graduates to support higher education is to ask the taxpayer, who on average will earn much less than those graduates.
We did not take the decision to freeze the repayments threshold lightly. We consulted on the changes before they were announced last November and conducted a full equalities impact assessment. The changes will mean that graduates earning more than £21,000 will repay about £6 per week more than if we had increased the threshold in line with average earnings. The threshold is higher in real terms than the one we inherited from Labour, meaning that graduates under this system keep more of their earnings before they start to repay.

A sustainable student finance system enabled us to abolish student number controls, lifting the cap on aspiration and enabling more people to receive the benefits of a university education. That is essential if we are to maintain our place as a country with a modern, highly skilled economy. We still send proportionately fewer people to university to study at undergraduate level than our main competitors. Between now and 2022, more than half of job vacancies will be in occupations most likely to employ graduates. If we are to continue to grow our economy, we must equip our young people with the skills and qualifications they will need to fill those roles.

Joseph Johnson: The critical thing is that we have put our higher education finance system on a sustainable footing. In order to do that, we had to take some difficult decisions. Freezing the repayment threshold was certainly one of them, but it was rooted in an underlying fairness, which is that graduates, who will go on in their lifetimes to earn significantly more than non-graduates, have to make a contribution towards the cost of running a big, expanding and successful higher education system. If they do not make a bigger contribution, the cost of funding that system will fall back on many of the hon. Lady’s constituents who did not go to university. I agree with him that it is very important that more people are going to university, but that does not address the issue of the loans. Moreover, would someone be able to apply for a mortgage with a student loan debt against their name?

Valerie Vaz: I thank the Minister for his response, but he has not answered my questions and he seems to have ignored the breakdown evidence I have given him, including the fact that those who receive £40,000 pay less. I agree with him that it is very important that more people are going to university, but that does not address the issue of the loans. Moreover, would someone be able to apply for a mortgage with a student loan debt against their name?

Joseph Johnson: The hon. Lady was fortunate, in that she went to university at a time when the country had a much smaller system. As a percentage of the 18 and 19-year-old cohort, when she went to university, I imagine that a very much smaller proportion went to university at all. Now, we are in the mid-40s as a percentage of that cohort. It is a big system to run.

If we make the cost of that system fall solely on the taxpayer, we will put a much bigger burden on those who have not benefited from the higher earnings path to which being a graduate gives access. For women, as the hon. Lady will be aware, the lifetime earnings of a graduate are likely to amount to some £250,000 more than those of a woman who did not go to university. For a man, the difference is something like £170,000 more over their lifetime. Going to university puts people on a significantly higher earnings path, which makes the amount of debt that they might take on, on an income-contingent basis, look relatively small by comparison. When we think about this, it is important to set the huge lifetime gains from higher education against the sums of debt that people take on to generate them.

Valerie Vaz: This is about a difference in ideology. I was lucky to benefit from a free education. I went to university without having to pay for anything. In fact, because I stayed at home, I actually saved on my grant, which is slightly unusual. The taxpayer does not have to pay, because graduates will pay a higher rate of tax when they graduate, so they will be putting more back into the economy. Burdening students with a debt of £45,000 when they start their lives is not the right way.

Joseph Johnson: The hon. Lady was fortunate, in that she went to university at a time when the country had a much smaller system. As a percentage of the 18 and 19-year-old cohort, when she went to university, I imagine that a very much smaller proportion went to university at all. Now, we are in the mid-40s as a percentage of that cohort. It is a big system to run.

House adjourned.
House of Commons

Tuesday 28 June 2016

The House met at half-past Eleven o’clock

PRAYERS

[Mr Speaker in the Chair]

Oral Answers to Questions

BUSINESS, INNOVATION AND SKILLS

The Secretary of State was asked—

Industry Innovation

1. Peter Aldous (Waveney) (Con): What steps he is taking to support innovation in industry. [905533]

The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid): We want to make the UK the best place in Europe to innovate, to patent new ideas and to grow new businesses. That is why we are creating a supportive business environment—for example, with research and development tax credits and through Innovate UK.

Peter Aldous: The UK’s position as the world leader in offshore renewables is underpinned by industry and academics from across the European Union working together on innovation projects, and by funding from the European Investment Bank and other European or collaborative research and development funds. Can the Secretary of State give me an assurance that our No.1 position will not be put at risk by Brexit?

Sajid Javid: The UK is the world’s largest offshore wind market today, and it will still be the largest by the end of the decade, with 10 GW expected to be installed. Despite the decision to leave the European Union, I am confident that we can still co-operate on science and research, as many countries outside the European Union do with their EU counterparts. I believe that that will ensure that this sector remains very strong.

Daniel Zeichner (Cambridge) (Lab): Innovation and research are inextricably linked. Yesterday, when I asked the Prime Minister about the impact on our research institutions of the decision to leave the European Union, he assured me that existing contracts would be honoured. However, researchers are applying for funding on a daily basis. What support can be put in place to deal with the uncertainty that exists today, tomorrow and next week?

Sajid Javid: As the hon. Gentleman knows, there will be no change immediately; the current structures will stay in place for at least two years. Of course companies are concerned about what will replace them, and that is exactly what we are working on now with many researchers, businesses and others. The Minister for Universities and Science is taking this very seriously and he has already been speaking to a number of stakeholders.

Kevin Hollinrake (Thirsk and Malton) (Con): A vital component of innovation in business is a superfast broadband connection. Would the Secretary of State consider extending the excellent satellite voucher scheme to allow the pooling of vouchers to enable the establishment of community schemes such as fixed-point wireless?

Sajid Javid: I will certainly discuss that with the Secretary of State for Culture, Media and Sport. I was pleased to have introduced that scheme in my previous role as Culture Secretary, and it has been making progress. My hon. Friend would perhaps also like to know that infrastructure will be absolutely key to the new national innovation plan, which will be published shortly.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Mr Speaker, you will know well, because you were with me, that I met representatives of the textiles industry and the university in my constituency last Friday. They are absolutely appalled by the decision to leave the European Union. Surely we need more than the rather calm words we have heard this morning. There should be an emergency package to deal with the real concerns of the great exporters and innovators of this country.

Sajid Javid: Of course there will be a number of companies, whether in textiles or other sectors, that will have concerns, particularly about the short term. That is why my colleagues and I are already in touch with a number of companies and businesses around the country. This afternoon, for example, I will be holding a round table with businesses representing every sector of the economy, and we will be following up on precisely those issues.

Mr Philip Hollobone (Kettering) (Con): The innovation that British industry now needs is a range of innovative trade deals with the world’s super-economies outside the European Union, and we need to act on this now rather than waiting to start until after our exit. What steps is my right hon. Friend taking to supercharge the trade unit within his Department to get crack trade officials working on these agreements straightaway?

Sajid Javid: My hon. Friend is absolutely right. With this decision, there are of course short-term challenges, but he highlights the fact that there are also medium and long-term opportunities, one of which is trade. The Department had already thought about that in case the decision went in favour of Brexit. I am pleased that we did that preparatory work and we will now be putting it to use.

Hannah Bardell (Livingston) (SNP): Scotland, which voted to remain in the European Union, has secured around £120 million from Horizon 2020, the biggest EU research and innovation programme. Participation in EU research and innovation programmes has enhanced our scientific and business reputation, so what are the
Minister and his Department going to do to ensure that similar funding and support options are available post-Brexit?

**Sajid Javid:** The hon. Lady may be interested to know that several countries that are not in the European Union are part of research and science collaboration programmes—Israel, for example—so if we choose to do so, it is perfectly possible to continue working with our EU partners on science and research.

### Late Payment

#### 2. Caroline Ansell (Eastbourne) (Con): What steps he is taking to tackle late payment of suppliers by businesses.

**The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid):** I am implementing a package of measures to support a cultural change to tackle late payment, including the small business commissioner, the duty for large businesses to report on payment practices, and support for the voluntary prompt payment code.

**Caroline Ansell:** I thank the Secretary of State for his answer and welcome his work in this area. In addition to late payment, there is the issue of lengthy-term payment. For example, an SME in my constituency is negotiating with a multinational company, which presents an excellent opportunity. However, the terms and conditions of the proposed payment schedule would mean a 98-day wait for payment on a £3 million project, which is something of a disincentive and, indeed, a risk. I recognise and welcome the fact that the market is opening up to SMEs, but does my right hon. Friend agree that we need to keep working to inspire a more level playing field across all aspects of business practice if SMEs are truly to compete?

**Sajid Javid:** I absolutely agree with my hon. Friend. The reporting requirements that I mentioned will give small businesses the information that they need to make more informed decisions, to negotiate fairer terms and to encourage other companies to improve payment practices. We take this very seriously in the Department and we are determined to change this kind of bad practice.

**Andrew Gwynne** (Denton and Reddish) (Lab): But one of the worst performers regarding late payments to small and medium-sized enterprises is the public sector. What is the Secretary of State doing to ensure that Government Departments, agencies and local government promptly pay the small businesses that they use?

**Sajid Javid:** The hon. Gentleman will be pleased to hear that while that was the case back in 2010, when payment practices throughout the public sector were appalling, there has been a significant improvement throughout central Government and beyond since then. At my Department, for example, we take great pride in paying almost all invoices within seven days.

**Bill Esterson** (Sefton Central) (Lab): As the Secretary of State knows, we welcome the move to set up a small business commissioner to help with late payment, but the proposals are modest. Will he assure the many small businesses that will be dramatically affected by any downturn resulting from Brexit that he will put additional support for them in the supply chain to deal with the consequences of any of their customers delaying payment to deal with the problems of Brexit?

**Sajid Javid:** I assure the hon. Gentleman that the proposals are not modest. The small business commissioner will have significant powers and the ability to help, including by providing general advice and direct services for the smallest of businesses. The commissioner will also be able to consider complaints and to take super-complaints from trade bodies.

### Midlands Engine

#### 3. Chris White (Warwick and Leamington) (Con): What recent steps he has taken to create the midlands engine.

**The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid):** I continue to promote the midlands engine, which could add an extra £34 billion to the local economy by 2030 and create 300,000 new jobs. I am pleased that Sir John Peace has been appointed chair of Midlands Connect to drive productivity and growth across the whole of the midlands region.

**Chris White:** Whether through energy providers, video games companies or manufacturers, Warwick and Leamington’s local economy is a great contributor to the region’s prosperity. What measures are being implemented to build on such successes and to transform the wider midlands engine from concept to reality?

**Sajid Javid:** I recall fondly visiting video games companies with my hon. Friend, who does a great deal to help local businesses, including by hosting a business forum last Friday. The midlands engine is already delivering. For example, we have a £5 million trade and investment package, £60 million for research, and a £5 million trade and investment package to late payment, there is the issue of lengthy-term payment. For example, an SME in my constituency is negotiating with a multinational company, which presents an excellent opportunity. However, the terms and conditions of the proposed payment schedule would mean a 98-day wait for payment on a £3 million project, which is something of a disincentive and, indeed, a risk. I recognise and welcome the fact that the market is opening up to SMEs, but does my right hon. Friend agree that we need to keep working to inspire a more level playing field across all aspects of business practice if SMEs are truly to compete?

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**Sajid Javid:** I recall fondly visiting video games companies with my hon. Friend, who does a great deal to help local businesses, including by hosting a business forum last Friday. The midlands engine is already delivering. For example, we have a £5 million trade and investment package, £60 million for research, and a £5 million trade and investment package. However, the terms and conditions of the proposed payment schedule would mean a 98-day wait for payment on a £3 million project, which is something of a disincentive and, indeed, a risk. I recognise and welcome the fact that the market is opening up to SMEs, but does my right hon. Friend agree that we need to keep working to inspire a more level playing field across all aspects of business practice if SMEs are truly to compete?

**Andrew Gwynne** (Denton and Reddish) (Lab): But one of the worst performers regarding late payments to small and medium-sized enterprises is the public sector. What is the Secretary of State doing to ensure that Government Departments, agencies and local government promptly pay the small businesses that they use?

**Sajid Javid:** The hon. Gentleman will be pleased to hear that while that was the case back in 2010, when payment practices throughout the public sector were appalling, there has been a significant improvement throughout central Government and beyond since then. At my Department, for example, we take great pride in paying almost all invoices within seven days.

**Bill Esterson** (Sefton Central) (Lab): As the Secretary of State knows, we welcome the move to set up a small business commissioner to help with late payment, but the proposals are modest. Will he assure the many small businesses that will be dramatically affected by any downturn resulting from Brexit that he will put additional support for them in the supply chain to deal with the consequences of any of their customers delaying payment to deal with the problems of Brexit?

**Sajid Javid:** I assure the hon. Gentleman that the proposals are not modest. The small business commissioner will have significant powers and the ability to help, including by providing general advice and direct services for the smallest of businesses. The commissioner will also be able to consider complaints and to take super-complaints from trade bodies.
over the past few decades would be to back Dudley’s exciting plans for an institute of technology, building on the brilliant work that is going on at Dudley Advance. Earlier this year, we were delighted to welcome a visit by the Minister for Skills, and I think that he was very impressed with what was going on. Will the Secretary of State meet a delegation from Dudley to hear about these plans and to discuss them with us in detail?

Sajid Javid: I am a big fan of Dudley, and I would love to visit it again.

7. [905539] Robert Jenrick (Newark) (Con): Before the events of last week, I was delighted to hear that my constituent, Sir John Peace, was appointed head of the Midlands engine project. Sir John is the founder of Experian, one of the Midlands’ key financial service companies, and the chairman of Burberry. Will my right hon. Friend reassure me that it is exactly people like Sir John who will be in his thoughts and working with the Department over the summer to ensure that the Midlands economy is prepared for Brexit over the next few weeks and months?

Sajid Javid: My hon. Friend is absolutely right and makes a very powerful point. The Midlands is doing well, but it can do better. Trade and investment will be key. I plan to lead the first Midlands-only trade mission abroad—to north America in this case—in September, and I would be honoured if companies from his constituency joined me.

Insolvency Regulation (BHS)

4. Martin Docherty-Hughes (West Dunbartonshire) (SNP): What assessment he has made of the effect of the case of BHS on his policy on regulating insolvency.

[905536]

The Minister for Small Business, Industry and Enterprise (Anna Soubry): As the hon. Gentleman knows, the Insolvency Service’s investigation into BHS continues. We are always looking to ensure that Britain is an open place in which to do business, but with the proper regulation in place to protect workers and prevent abuses. We recently launched our consultation “A Review of the Corporate Insolvency Framework”—not something that trips off the tongue. Importantly, if there are any early emerging findings arising out of the BHS case, I can assure him that they will be fully taken into account.

Martin Docherty-Hughes: I am grateful to the Minister for her response. Nevertheless, I am sure that Members of the House and people across the country were dismayed yesterday when they read that the pensions black hole in this country has reached a high of £900 billion. Can she assure this House, me and my constituents who work at BHS in Clydebank that, after reflecting on last week’s vote and the BHS scandal, the Government are doing everything in their power to assure their pension funds?

Anna Soubry: The hon. Gentleman makes a good point. Yesterday was a dreadful day on the markets—two of our banks actually had to stop trading. Today, according to the results, is a better day. As the Prime Minister said yesterday, nothing has changed at the moment, so it is really important that we talk up our great country and our great economy, and that we instil confidence and stability on all sides.

Stephen Kinnock (Aberavon) (Lab): The issue of pensions is very important in the context of not just BHS, but Tata Steel. The consultation finished on 23 June. Will the Minister please update the House on where we are with the pensions scheme, and also reflect on the fact that the trade unions and many others have said that putting that scheme into the Pension Protection Fund would be a complete disaster?

Anna Soubry: The consultation has, of course, now finished. There were concerns, certainly among Government Members, that Opposition Members perhaps had not been as supportive about the future plans for Tata as we would have liked, but, as the hon. Gentleman knows, our doors always remain open to him. He has done great work to ensure that we have a sustainable steel industry in south Wales.

Hannah Bardell (Livingston) (SNP): Many workers at BHS, such as those in my constituency, will no doubt have been watching in horror as events unfolded. What further support and assurance can the Minister give to the staff at BHS to support them through this difficult time? Furthermore, I have found—I am sure that other Members have, too—that BHS is not willing to engage with me as a local Member of Parliament. What can she do to ensure that it will engage with Members?

Anna Soubry: I am quite surprised that BHS will not engage, as the hon. Lady puts it; that is not at all satisfactory. We are working hand in glove with the Department for Work and Pensions to ensure that people are getting the support and opportunities that they need to get jobs. I am pleased that that work continues. In fact, government does continue, notwithstanding last week’s vote.

Counterfeit Electrical Goods

5. Mary Glindon (North Tyneside) (Lab): What discussions he has had with online retailers on the sale of counterfeit electrical goods.

[905537]

The Minister for Small Business, Industry and Enterprise (Anna Soubry): My officials and the Intellectual Property Office have met online retailers to reduce the availability of counterfeits on their platforms and to help to co-ordinate law enforcement action against sellers. The dedicated IP crime unit that was launched by the coalition Government investigates sales of counterfeit goods. In October 2014, the Government rightly introduced a criminal sanction to address intentional copying of products protected by registered design.

Mary Glindon: Research undertaken by Electrical Safety First has found that 64% of counterfeit products are now purchased online, with sales via social media increasing by 15% every year. Have the Government considered the impact of this trend on consumers and the industry itself?
Anna Soubry: I thank the hon. Lady for giving me notice of her supplementary question, because I can now give her a proper and good answer; otherwise, she would have just heard me say, “I will happily meet her.” I will happily meet her, but I can also say that the Government, industry and law enforcement are working together to tackle the threat posed by online sales of counterfeit electrical goods. We have something called Operation Jasper, a partnership between trading standards and industry that has been targeting the sellers of counterfeit goods, particularly on Facebook, and has succeeded in removing thousands of listings and users’ profiles.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): In my constituency in South Lanarkshire, which is home to the headquarters of the Scottish fire and rescue service, 214 house fires were caused by faulty electrical items in the past five years alone. As trading standards are largely enforced locally, online sales might be harder to tackle, so what is the Government’s strategy for curbing the rising online trade in counterfeit electricals?

Anna Soubry: I think that I have answered that question, but the hon. Lady makes an important point about some of the dangers from faulty goods, especially those sold online. I was delighted that Lynn Faulds Woods, whom hon. Members will know from her various campaigns over the years to ensure that people are kept safe, has been working with the Government. She produced an excellent report and her work continues in how we are looking at policy to make things better and safer.

Traineeships Programme

6. Jim McMahon (Oldham West and Royton) (Lab): What assessment has he made of progress on the Government’s traineeships programme. [905538]

Mr Speaker: I call Minister Nicholas Boles.

The Minister for Skills (Nick Boles): I am surprised that you have shortened my name today, Mr Speaker.

The traineeship programme grew by more than 85% in 2014-15. Our first year evaluation showed positive progression rates with 50% of trainees moving on to apprenticeships and work, and a further 17% going on to further learning.

Mr Speaker: I am sorry to disappoint the hon. Gentleman. Perhaps the world should know that his full name is Mr Nicholas Edward Coleridge Boles.

Jim McMahon: Well played, Mr Speaker.

There is still a perception, I am afraid, that traineeships and apprenticeships are somehow second class compared with other career routes. As a former apprentice, I know just how rewarding they can be. This summer, I will be running a skilled trades summer school in my constituency to help young people to realise the advantages of electrical and mechanical engineering, the motor trades and joinery, for instance. Will the Minister meet me and members of Oldham College to talk about how we can raise the profile of those very important trades?

Nick Boles: I congratulate the hon. Gentleman on his fantastic initiative, which is particularly powerful given his history as an apprentice—he can preach the reality of it. I have to confess to him that I have never been to Oldham, so I would love to come for the first time to join him.

Kate Green (Stretford and Urmston) (Lab): Traineeships ought to be a route to good-quality apprenticeships, but we know that there remains a substantial gender pay gap for apprentices of more than £1 an hour. Will the Minister suggest how traineeships can be developed to encourage girls and young women into career routes that pay good salaries and have good prospects?

Nick Boles: The hon. Lady identifies an important challenge that has been long in existence, and we have a long way to go to correct it. The key thing is to try to persuade young women to go for the kinds of jobs that are open to them and would pay them much better rates: STEM-related careers and engineering-related jobs. Traineeships are often a good way for people to get a taste for a profession but, equally, we need to attack the problem much earlier—at primary school—to shape the attitudes of young girls and make them understand that, like the shadow Minister, the hon. Member for Newcastle upon Tyne Central (Chi Onwurah), they have a career in technology open to them.

David Simpson (Upper Bann) (DUP): Peter Cheese, chief executive of CIPD, has said that if the Government are serious about improving the quality of apprenticeships and skills, as well as the quantity, they need completely to overhaul the apprenticeship levy. Is he right?

Nick Boles: He is right, to the extent that we want massively to improve the quality of apprenticeships, as well as the quantity, and they are not in conflict. But of course, if we are going to do both, we have to have more money to spend. That is why the apprenticeship levy is absolutely critical. It will enable us to take Government spending on apprenticeship training from £1.5 billion a year at the moment to £2.5 billion a year in England by the end of this Parliament, which is essential if we are to get the quality as well as the numbers up.

Mr Gordon Marsden (Blackpool South) (Lab): The Minister has tried to construct a reassurance on traineeships, but the facts that have been dragged from the Government tell a different story. Freedom of information figures published in FE Week show that just 9% of 19 to 24-year-olds and just one in five of all 16 to 24-year-olds went from traineeships to apprenticeships. The Labour party has consistently supported traineeships for getting many more young people into quality apprenticeships, so why have the Government wasted three years, failing properly to promote, explain or target them? Ten days ago, the Minister warned about Brexit uncertainties threatening apprenticeship growth and the levy, so will he now spell out new initiatives to tackle the necessary increase in traineeships, including support to further education colleges and providers who are desperate to press ahead with them; or else risk failing the young generation?

Nick Boles: I congratulate the hon. Gentleman on being one of the few people to resist the temptation to resign in the past 48 hours. He and the shadow Home Secretary, the right hon. Member for Leigh (Andy Burnham), will go down in the history books as brave champions of modern opposition.
I am delighted that the hon. Gentleman is an avid reader of *FE Week*; it is an interesting publication. He will know that traineeships are not only about pre-apprenticeship programmes. The whole point of traineeships is to take people into apprenticeships, jobs or further training—whatever is best for them—and he would seek to narrow this programme, the great strength of which is its versatility.

**Skills Shortages**

8. **Wendy Morton** (Aldridge-Brownhills) (Con): What steps he is taking to address skills shortages in the workforce. [905540]

The Minister for Skills (Nick Boles): As has been often discussed, we are introducing an apprenticeship levy, which will have two main outcomes. First, we will dramatically increase spending on apprenticeships. It will also require large employers either to invest in apprenticeships or to see their money used by someone else.

Mr Speaker: I think that the hon. Gentleman is seeking to group this with Question 12.

Nick Boles indicated assent.

Mr Speaker: Very good. Grouping agreed.

12. **Byron Davies** (Gower) (Con): What steps he is taking to address skills shortages in the workforce. [905544]

Wendy Morton: I am grateful to my hon. Friend for his answer. He will be very aware, as I am, that certain employers have said that they are not happy with the apprenticeship levy and have asked the Government to rethink, but does he agree that the levy is the best way to ensure that businesses invest in their employees’ skills and for the Government to put apprenticeship funding on a sustainable footing?

Nick Boles: Forgive me, Mr Speaker; we are all somewhat discombobulated at the moment. I should have mentioned that I am seeking to group this question with a later one.

My hon. Friend is absolutely right. What we are trying to design with the apprenticeship levy is actually something of an innovation in government: it is a new tax, but the companies that pay the tax will be able to spend it on training that directly benefits them, so it creates a huge incentive for those employers who pay the levy to get maximum benefit from it by creating more apprenticeships, and I believe that it will have a powerful impact in her constituency.

Byron Davies: The importance of home-grown skills is clearly now even more important, given the result of the referendum last week. Considering the importance of EU funding to British universities, what steps is the Minister taking to ensure that universities and other major providers of skills in the UK are equipped and supported, following last Thursday’s vote?

Nick Boles: I agree with my hon. Friend. One of the results of the decision to leave the European Union is that we as a nation will have to do what we have done for hundreds of years, which is live by our wits and our talents, and we need to develop those talents by investing in education, in science, in research and in skills training. He is absolutely right about the crucial role that universities play—obviously, my hon. Friend the Minister for Universities and Science is leading on that—but we are working closely together to get more universities involved in providing degree apprenticeships, so that people can get degrees and rise to high positions through apprenticeships.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): One of the messages that has clearly come across to me from my experience campaigning in the referendum is that the free movement of people between this country and the rest of the European Union is no longer acceptable to the people I represent. What contingency plans has the Department got for what it will mean for the British economy to end the free movement of people?

Nick Boles: The hon. Gentleman will know that no changes are going to take place any time soon in any of the arrangements with the European Union. We have made a decision that we are going to leave the European Union, but there will be a period of negotiation to establish exactly what new arrangements will be put in place. However, he is right that one of the chief sources of concern in our communities is the free movement of people, and I am sure he is also right that in his constituency, as in my own, that will have been a motive for many people to vote. That does not alter the fact that whether we are inside the single market or not, whether we have free movement of people or not, investment in the skills of our own people so that British people can get the best British jobs is what we need.

Ms Margaret Ritchie (South Down) (SDLP): The most recent employment skills survey conducted by the UK Commission for Employment and Skills found that 2 million staff had skills not currently being utilised in the workplace. Can the Minister detail the steps that he is taking to work with businesses to utilise those skills more productively?

Nick Boles: I feel as though I hardly use any of the skills that I have acquired during my long life—certainly not in this job. The hon. Lady is right that that applies to many people. It is one of the key reasons why we have resisted pressure to make apprenticeships something only for young people and only for new recruits, because for someone of 45, for example, who is returning to work after a career break or who has suddenly discovered in themselves an interest and a potential that they did not know about, it is right that there is Government support through apprenticeship training to enable them to develop those new skills and go on to a rewarding career.

Mr Robin Walker (Worcester) (Con): Local businesses in Worcester tell me that they worry about skills shortages and they want to invest in young people. In order for them to do so, it is crucial that young people coming out of school have information about apprenticeships. Does the Minister agree that we need to keep on making sure that inspiring apprentices and their employers get into our schools to talk about the opportunities that apprenticeships can offer?
Nick Boles: My hon. Friend is right. I know that he will be playing a vital role in shepherding through Parliament the Bill that will require all schools to allow other providers of opportunity post-16, whether FE colleges or apprenticeship employers, to come into the school to talk to young people during school hours, so that they are aware of the full range of opportunities out there, including apprenticeships.

Alison Thewliss (Glasgow Central) (SNP): One of the ways in which skills gaps in the economy have been filled is with EU nationals. That opportunity could now be lost to Scotland, especially in particular sectors and in rural areas. Can the Minister give an assurance to EU nationals currently filling skills gaps in the Scottish economy that their skills are valued and that they will be able to stay?

Nick Boles: I am very happy to do that and I am grateful to the hon. Lady for giving me the opportunity to do so, not just in relation to Scotland but elsewhere in our country. In my Lincolnshire constituency there are certain industries, such as food growing and processing, and the NHS, which would find it very hard to operate without the skills brought in by highly valued migrant workers, not just from the European Union, though importantly also from the European Union. The Prime Minister was very clear yesterday that those people’s position in our country is secure, their working rights are secure, and we remain a member of the European Union. Not only are they secure, but they are valued. We welcome them and we want them to stay here and help us make our society great.

Higher Education

9. Steve Brine (Winchester) (Con): What steps he is taking to improve the quality of higher education.

Joseph Johnson: This Government, more than any other, understand the importance of science funding. That is why we have protected science spending until the end of the Parliament—a decade of real-terms protection. Our universities and institutes can continue today to apply for EU competitive funding streams under Horizon 2020, and I am sure they will continue to be successful in the future.¹

Tom Elliott (Fermanagh and South Tyrone) (UUP): I praise the Catapult programme run by the Department, but can the Minister give us any indication of the opportunities for it to be rolled out more widely and to be available to people in areas such as Northern Ireland?

Joseph Johnson: Certainly. In our manifesto we committed to rolling out our very successful catapult network, which provides shared facilities that companies, on their own, could not afford to construct. That enables our businesses to maximise the value of research coming out of our university system. In this Parliament, we have already delivered new catapults at Alderley Park in Cheshire and in Cambridge, with the precision medicine catapult. This is an expanding and very successful network, and it will continue to be so.

Mr Gordon Marsden (Blackpool South) (Lab): The Minister’s higher education White Paper rightly bangs on about how important high-level skills are, but the eminent skills White Paper is not even part of his new Higher Education and Research Bill. With those who teach, manage and work in HE fearful of the consequences of Brexit, should he not be prioritising skills strategies for both our community-based and internationally focused universities and using FE colleges as key HE providers? Why is he instead gambling the bank on allowing unknown, brand-new providers to get degree-awarding powers from day one—probationary degrees from probationary providers—risking our universities’ brand reputation overseas, as well as jobs and productivity at home?

Joseph Johnson: I am working closely with my colleague the Skills Minister, whose forthcoming White Paper will have many of the answers to the questions the hon. Gentleman has posed. We are surprised by the tone of scepticism about the potential for new higher education providers to lift quality and enhance the range of high-quality higher education on offer in this country. I am afraid, though, that that is of a piece with the Labour party’s previous opposition to the conversion of polytechnics and to new universities in the 1960s.

STEM Subjects

10. Victoria Prentis (Banbury) (Con): What steps he is taking to promote take-up of STEM subjects in higher education.

¹[Official Report, 5 July 2016, Vol. 612, c. 4MC.]
Mr Speaker: I call Minister Johnson—the only Johnson who matters today.

The Minister for Universities and Science (Joseph Johnson): Thank you, Mr Speaker. The Government are fully committed to making the UK the best place in the world to do science. The number of full-time students accepted to study STEM subjects in England is up 17% since 2010. Initiatives such as the STEM ambassadors programme and the new Polar Explorer programme are providing inspiration for young people to consider STEM careers.

Victoria Prentis: To what extent can studio schools, such as the excellent Space Studio in Banbury and the new Bicester Technology Studio school, be used to promote the take-up of STEM subjects later in a student’s career, whether that is at university or as part of an apprenticeship?

Joseph Johnson: That is right: studio schools are pioneering a new and valuable approach to learning and are focusing on equipping students with a wide range of employability skills and academic qualifications. Schools such as the ones my hon. Friend mentioned in Banbury and the one in Bicester that will open in September give students the opportunity to work with specialist employers such as the UK and European space agencies and those in the fields of technology, sustainable construction, engineering and computing.

Sue Hayman (Workington) (Lab): As vice-chair of the all-party parliamentary group on nuclear energy, I am extremely keen to get more women into the nuclear industry and into studying STEM subjects at school and university, because we cannot meet the skills shortage without attracting more women and girls into engineering. I was therefore really pleased to hear the Minister agree with my hon. Friend the Member for Stretford and Urmston (Kate Green) about the need to get in much earlier, at primary school level, if girls are going to take that subject right the way through to higher education. What specific action are the Government taking to achieve that aim, and how will they take into account the good work that we are already carrying out in west Cumbria?

Joseph Johnson: The Government continue to work with all partners to raise awareness and interest in STEM careers. Initiatives such as the Inspiring Science Capital Fund, a £30 million programme that we launched with the Wellcome Trust, STEM Ambassadors, which is a £5 million-a-year programme, the Polar Explorer programme and the new Polar Explorer programme are providing inspiration for young people to consider STEM careers.

Paul Blomfield (Sheffield Central) (Lab): The Minister will know how important EU research funding is to our universities, particularly in relation to STEM subjects. He will also know that those leading the leave campaign promised that no sector would lose out as a result of Brexit. Forget about the next two years—if I could push him on his earlier answer, what will he be doing to ensure that UK Government funds replace European funding, pound for pound, in supporting research in our universities?

Joseph Johnson: We remain members of the European Union. Our institutions are fully able to apply for and win European competitive funding schemes, and they will continue to be able to do so until such time as we change the basis of our relationship with Horizon 2020.

Mr Speaker: I call another, equally important, Johnson—Diana Johnson.

Land Registry

11. Diana Johnson (Kingston upon Hull North) (Lab): What is his plans for the future of the Land Registry.

The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid): We recently consulted on options for the Land Registry. The consultation closed on 26 May and we are currently reviewing the responses. Until this is completed, no decision will be made.

Diana Johnson: Having a Land Registry office in Hull, I note that in the consultation of July 2014, when the coalition scrapped plans to sell off the Land Registry, only 5% of people consulted said that it would be more efficient and effective to do so, and the Government admitted that the case for change had not been made. So what has changed since then?

Sajid Javid: As I said, no decision has been made. It is clear, however, that the Land Registry has been moving increasingly from the use of paper to electronic means, and these modernisation and efficiency changes need to carry on. Regardless of ownership, this is just the kind of change we want to see.

Bill Esterson (Sefton Central) (Lab): One of the strengths of the Land Registry is its transparency and independence, but those proposing to buy it have links to offshore tax havens—places that do everything to avoid such transparency and independence. The sale to firms with links to tax havens will undermine the trust of homeowners and mortgage lenders. Is not the truth that this sale of family silver makes a complete mockery of Government claims to be tackling tax avoidance and tax evasion?

Sajid Javid: It would be entirely wrong to comment on any press speculation, but, as I said, no decision has been made.

Apprenticeships

13. Rebecca Pow (Taunton Deane) (Con): What steps the Government are taking to promote apprenticeships in the arboriculture, forestry, horticulture and landscape sector.

The Minister for Skills (Nick Boles): We are working with employer groups to develop new apprenticeship standards such as arborist and forest operative. If I am ever seeking a new career, I can hardly think of a better
The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid):

My hon. Friend will know that my father's first job was at a Courtaulds mill. I have taken an interest in the company for a long time and what has happened is very sad. Current insolvency law already enables assets to be disposed of prior to the start of formal insolvency and before recovery. It is, therefore, possible to take action against directors for misconduct, if that is what the administrators find. We will look carefully at the report when it is published in three months' time.

British Steelmaking

15. Scott Mann (North Cornwall) (Con): What infrastructure projects are using British-made steel.

The Minister for Small Business, Industry and Enterprise (Anna Soubry): Crossrail, Europe's biggest construction project, uses 7,000 tonnes of almost exclusively British steel. Network Rail sources 96% of its steel rail from Britain and it is all made in Scunthorpe—that is 120,000 tonnes a year for the next six years. We have changed the procurement rules so that wider social and economic factors are taken into account in public procurement, both locally and nationally, giving UK steel every chance to win contracts. In fact, it would be almost impossible not to buy British steel.

Scott Mann: North Cornwall has two new possible proposals for branch lines, one in Wadebridge and the other on the Okehampton link. Does my right hon. Friend welcome those proposals, and does she think, in the light of the recent EU referendum result, that it would be beneficial for British steel to be used in every new railway construction across the whole country?

Anna Soubry: We have changed the procurement rules in relation to Government funding, but there is really no excuse. We know how brilliant British steel is—[Interruption]—especially when it comes to the construction of railway lines. It is the best steel in the world, which is why so many people buy it when they are constructing rail lines.

Nic Dakin (Scunthorpe) (Lab): I welcome the Minister's comments about UK steel, and Scunthorpe steel in particular. What is she doing to ensure that there is a clear pipeline of infrastructure projects in train so that the correct capacity is put in place for creating the steel for those projects?

Anna Soubry: I am grateful, as ever, to the hon. Gentleman for his question. One of the things that will certainly take place today is the Secretary of State leading an extremely large meeting, as the hon. Gentleman might imagine, of all the key players in British industry, following last week's vote. One of the things that we have already discussed is the need to make sure that we address—if at all possible, and if we can really get determination—huge infrastructure projects. Whether it is HS2, a third runway or whatever, it is incredibly important that we make the very best of what has been a very bad decision by the British public, if I may say so.
Topical Questions

T1. [905463] Lucy Allan (Telford) (Con): If he will make a statement on his departmental responsibilities.

Sajid Javid: I was hoping that the hon. Lady would not play party politics with something as straightforward as this. Many businesses up and down the country are reflecting on last week’s decision, and my job is to reassure them that that decision can be made to work. As well as challenges, there are plenty of opportunities, and when I meet businesses later this afternoon that is exactly the message I will be giving to them.

T2. [905464] Mary Robinson (Cheam) (Con): The Greater Manchester region is a huge supporter of apprenticeships, with 30,000 starts last year alone. I recently met the young apprentices from Thales in my constituency, who are doing excellent and innovative work on the development of underwater sonar systems. Will the Minister outline what additional support his Department is giving to the city region to increase apprenticeship uptake?

The Minister for Skills (Nick Boles): I congratulate Greater Manchester on achieving a 75% increase in apprenticeships since 2010. My hon. Friend will be aware that we have devolved the apprenticeship grant for employers—an incentive payment to encourage employers who have not previously employed apprentices to do so—to Manchester so that the authority there can target it at the particular kinds of employer that it wants apprenticeship growth to come through.

T3. [905465] Justin Madders (Ellesmere Port and Neston) (Lab): As we head towards Brexit, many EU-derived regulations will no doubt come under the microscope. Some of the most important are the working time regulations, which protect vital safe working limits in the workplace. Will the Government confirm that they intend to retain all elements of the working time regulations?

Sajid Javid: The first thing the hon. Gentleman should know is that nothing changes right here and now. For the next few years, there will be no changes—we are members of the European Union, and all our rights and obligations will be respected. In the longer term, this country has always been committed, quite rightly, to workers’ rights. That will not change.

T4. [905466] Andrew Stephenson (Pendle) (Con): Pendle is home to a number of excellent aerospace companies such as Euravia, Senior Aerospace Weston and Rolls-Royce. What assurance can Ministers give the aerospace sector of the Government’s ongoing commitment following the vote to leave the EU?

The Minister for Small Business, Industry and Enterprise (Anna Soubry): As my right hon. Friend the Secretary of State said, later today we will meet the trade council that represents the aerospace industry, and we are fully committed to that. We will continue to work closely with the aerospace growth partnership to tackle barriers to growth, to boost exports, and to grow high-value jobs. In particular that will include support for research and development, which now stands at £3.9 billion for aerospace research.

T5. [905467] Carolyn Harris (Swansea East) (Lab): Fire and rescue services attend up to three fires a day that are a result of faulty tumble dryers. Which?, the Local
Government Association, Electrical Safety First and other consumer interest groups have all raised concerns about how Whirlpool has handled that problem. Is the Minister comfortable that Whirlpool has merely issued a safety statement and not a total recall?

**Nick Boles:** I have had a meeting with the hon. Lady, for which I am grateful, and she has really led for consumers on this issue. As I think I explained, an investigation has suggested that the approach taken by Whirlpool was reasonable, and that the nature of the risk was not such that a total recall was required. However, she is right to say that the company needs to get a move on, and it is not right or reasonable to leave people waiting for months and months to have a faulty product, for which Whirlpool should be accountable, replaced.

**T6. [905468] Marcus Fysh (Yeovil) (Con):** Does my right hon. Friend agree that it is the duty of Ministers who are loyal to the Crown to promote the British economy and not to talk it down? Will she agree to a joint meeting with me and Ministry of Defence procurement to discuss how we can more effectively promote and develop defence industries such as those in my constituency?

**Anna Soubry:** I agree with my hon. Friend. Friend and he is absolutely right: these are obviously difficult times, but it is important that we do not talk down our great British economy and that we instil stability and confidence. He is right to mention our defence industry. As he might imagine, we work hand in glove with the Ministry of Defence on that issue and will continue to do so. I have already spoken to the Minister responsible for procurement in the MOD.

**Several hon. Members rose—**

**Mr Speaker:** Ah, splendid: the robust Chair of the Business, Innovation and Skills Committee, Mr Iain Wright.

**Mr Iain Wright (Hartlepool) (Lab):** I think that is the kindest thing that anybody has ever said to me.

The Secretary of State fully appreciates that uncertainty lasting for months and years will drain business investment away from Britain. In our Select Committee this morning, Funding Circle told us that an £100 million investment deal with a European consortium will now not go ahead—it has been pulled, and it will not be the only one. Today’s round table is a welcome gesture, but in the face of the current unprecedented uncertainty, what tangible actions is the Secretary of State putting in place to maintain and stimulate inward investment, maintain that funding gap, and steady business nerves?

**Sajid Javid:** It is good to see some leadership on business issues on the Labour Benches. The hon. Gentleman makes an important point. Today’s round table is not a gesture; it is about genuinely listening to businesses and businessmen and women about the issues that they face, and about how to take advantage of the opportunities that will be created. He will know that nothing changes for at least a couple of years, which will give us time to plan for the future, including for inward investment opportunities and new trade opportunities. I would be happy to meet him and discuss that issue further.

**T7. [905469] Alex Chalk (Cheltenham) (Con):** A significant amount of public money has been allocated to bring superfast broadband to areas missed out by the commercial roll-out, but because of a bureaucratic logjam it remains unspent while a significant number of small businesses in Cheltenham are left frustrated and unable to grow. What more can be done to unlock that money and get the remaining premises connected?

**The Minister for Culture and the Digital Economy (Mr Edward Vaizey):** May I say how pleased I am to see you in the Chair, Mr Speaker? A rock of stability as the stormy seas of change crash around us—[Interruption.] I was considered the thinking woman’s Boris Johnson—my hon. Friend the Member for Uxbridge and South Ruislip—but I now see that I am my right hon. Friend. Friend the Member for South Holland and The Deepings (Mr Hayes).

One great benefit of Brexit is that in the past 24 hours not a single colleague has bent my ear about broadband, and it is a sign of things returning to normal that we are now discussing that important subject. I hear what my hon. Friend says. There are often problems on the ground, and I would like to go to Cheltenham and meet those businesses, plus the council, and see whether we can work together. We often find that on the ground wayleave rights are not being granted, or that something like that is holding back the investment that we need in places such as Cheltenham, which is home to so many high-tech businesses that are now free to trade around the globe.

**Mr Speaker:** I think the hon. Gentleman would like his own dedicated and exclusive Question Time.

**Mhairi Black (Paisley and Renfrewshire South) (SNP):** In 2010, the Post Office chief executive said that in Paisley the cost of the refurbishment of the post office had been £439,000. That money was spent making significant changes to “improve service to customers and enhance the profitability of the Crown network”. Given that it is now planned that the post office will move from this upgraded high-quality unit to the wholly inaccessible and inadequate WH Smith, will the Minister please justify to me and my constituents why the money was spent on refurbishment in the first place?

**The Parliamentary Under-Secretary of State for Life Sciences (George Freeman):** I will keep it brief, Mr Speaker.

The hon. Lady tabled a named day question on this matter and I have replied to explain that this is a matter for the chief executive of the Post Office, Paula Vennells. She has written a letter to the hon. Lady, which is in the House of Commons Library. For the benefit of the House, I can confirm that through the £13 million investment in our 50 Crown post offices, £440,000 has been spent on the Paisley branch. Through the Crown transformation plan, we have a Post Office that is more stable and closer to breaking even than ever. There are 11,500 branches, 200,000 extra opening hours and 3,800 branches open on Sundays. The people of Paisley have a strong and secure post office.

**Mr Stewart Jackson (Peterborough) (Con):** I commend the Ministers on the Treasury Bench for their pragmatic approach to last week’s result. I think that we are all committed to the UK becoming an outward-looking global trading nation. With that in mind, will Ministers redouble their efforts to support the Australian Prime
Minister, who has said that he has instructed his officials to work with New Zealand to prepare a trade deal with the United Kingdom very shortly?

**Sajid Javid:** My hon. Friend highlights the opportunities of Brexit and we absolutely should now start embracing those opportunities; free trade agreements with many more countries is just one of them. Australia is an excellent example, and that is exactly the sort of thing we should be working on.

**Mr Virendra Sharma** (Ealing, Southall) (Lab): Many of my constituents have no or very little access to computers and the internet. Will the Government continue to press banks and other key providers to retain high street services for customers who receive utility and other bills in paper form on request?

**George Freeman:** The Department for Business, Innovation and Skills does not intervene in the individual billing arrangements of utilities or companies, but there are arrangements in place to make sure that those who need paper bills are able to request and receive them. Those who have disabilities, such as the blind, have protections to make sure that they can receive appropriate billing. If there are particular issues for any particular constituent, I would be very happy to look into them for the hon. Gentleman.

**Maggie Throup** (Erewash) (Con): Small and independent retailers in my constituency have, over recent months, experienced extreme difficulty in accessing telephone and broadband services when moving into new premises. I, too, experienced this when I moved into my new community office in Ilkeston. Will the Minister agree to talk to service providers to ensure that the installation of these services, which are so vital in the 21st century, are carried out in a reasonable timeframe?

**Mr Vaizey:** I have made no secret of my concerns about Openreach’s quality of service. We have had a very successful rural broadband programme, but there seems to be a particular unit in Openreach that targets MPs and makes them extremely angry. They take it out on me and I take it out on Openreach. It needs to improve its terms and conditions, and its new chief executive has made supplying businesses his priority.

**Mr Speaker:** We are blessed to have a second dose of the hon. Gentleman this morning.

**Greg Mulholland** (Leeds North West) (LD): Will the Minister finally give a date for the implementation of the pubs code? With licensees currently missing out due to the Department’s mistake and the delay, will she now apply the Burmah Oil principle to ensure that the code is retrospective from the original date, as it clearly can be?

**Anna Soubry:** We have re-laid the regulations, and I am looking forward to them passing through their various stages so that we can implement the pubs code as a matter of urgency. I very much hope that it will be implemented by the time the House rises.

**Rebecca Pow** (Taunton Deane) (Con): Thank you for giving me two bites at the cherry, Mr Speaker. I welcome the Government’s commitment to new universities coming forward, and I am working hard to further one in my Somerset constituency. Given recent developments regarding the EU, does the Minister agree that it is now even more essential that we enable universities to provide the skills needed to upgrade the workforce and maintain our position in the world?

**The Minister for Universities and Science** (Joseph Johnson): Yes, indeed. The productivity challenge facing the country is grave, and our universities are a big part of the answer. New universities in higher education cold spots such as Somerset will be a big part of our solution to these challenges.

**Kirsty Blackman** (Aberdeen North) (SNP): I understand that the UK Government have yet to confirm whether the allocation of the apprenticeship levy in Scotland will be based on the number of employers in Scotland, or the percentage of the levy paid in Scotland. Will the Minister provide that clarification today? If not, when will he?

**Nick Boles:** As I indicated to the hon. Member for Llanelli (Nia Griffith), I have been in discussions with the Minister representing the Welsh Government in this conversation. These discussions are ongoing. This is a matter for Her Majesty’s Revenue and Customs, not something for which I am directly responsible, but I know that there have been intensive negotiations and discussions. I do not want to pass the buck, but I fear that I will have to encourage the hon. Lady to direct her question to a Minister at Treasury questions, because the Treasury and HMRC are handling these discussions.

**Mr Speaker:** Finally, I do not want the voice of East Antrim to remain unheard. I call Mr Sammy Wilson.

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

This month it was announced that manufacturing exports from Northern Ireland to non-EU countries increased by 24%, while those to EU countries fell by 4%. What steps can the Minister take to help Northern Ireland firms to exploit opportunities to grow international economic links to promote growth in Northern Ireland, increase employment and help to reduce the UK balance of payments deficit?

**Sajid Javid:** It is great to hear—the hon. Gentleman is absolutely right—that manufacturing is on the rise in Northern Ireland and throughout the UK. Volumes are up, exports are up and employment is up. There are, of course, further steps that we can take. Someone asked earlier about free trade agreements, and that is something that we can do and exploit now that we have Brexit.

**Several hon. Members rose—**

**Mr Speaker:** Order. We must now move on.
Points of Order

12.37 pm

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): On a point of order, Mr Speaker. I was led to believe that the Labour Front-Bench team was requesting a statement on this morning’s further chaos around HS2—both its preparedness and the resources it is sucking up from our economy. Did you receive any application for a statement on HS2? We have the Business Secretary here today. Does he not realise that British industry, which is in chaos and reeling from Brexit, wants to see HS2 stopped now before it sucks up all those resources?

Mr Speaker: I certainly would not discuss on the Floor of the House applications for urgent questions—as colleagues will understand, it is a long-standing convention that those matters are not the subject of exchanges on the Floor—but I can say to the hon. Gentleman that I have received no indication from any Minister of an intention to make a statement on HS2. He will know that I am very conscious of requests from Ministers to make statements, and never would I be more likely to be aware of such an intention than in relation to HS2, but there has been no such notification of intent to my office to date.

Sir Roger Gale (North Thanet) (Con): On a point of order, Mr Speaker. Members of Parliament are being bombarded with electronic communications from Team Trump on behalf of somebody called Donald Trump. I am all in favour of free speech, but I do not see why colleagues on either side of the House should be subjected to intemperate spam. Efforts to have them deleted have failed. Would you be kind enough to intercede with the Parliamentary Digital Service to see whether they might be blocked?

Mr Speaker: First, may I commiserate with the hon. Gentleman who, as far as I can tell, has undergone an irritating and—some might think—exceptionally tedious experience? I am grateful to him for notice of his point of order. All hon. Members receive large numbers of emails and will have devised ways of dealing with the flow. However, while this is not directly a point of order for the Chair, I do not think it acceptable that Members should be bombarded with emails the content of which is offensive. I will ensure that members of the Parliamentary Digital Service, who have the facility to block certain types of email, are made aware of this issue. Moreover, I shall ensure that they contact the hon. Gentleman. In so responding to him, I emphasise that other right hon. and hon. Members might also wish to avail themselves of this service.

Finance Bill

(Clauses 7 to 18, 41 to 44, 65 to 81, 129 to 136 and 144 to 154, Schedules 2, 3, 11 to 14 and 18 to 22 and certain new Clauses and new Schedules)

[2ND ALLOCATED DAY]

Further considered in Committee

[Mrs Eleanor Laing in the Chair]

12.40 pm

The First Deputy Chairman of Ways and Means (Mrs Eleanor Laing): Before I call the Minister to move Government amendment 114 and for the sake of clarity, I grant the Minister the Chair’s permission and the House’s sympathy in respect of his requirement to stand throughout the proceedings—or, indeed, to be in whatever position suits him so that he can spend several hours at the Dispatch Box with his current disability. He has the House’s sympathy, as I said, and he may do as he sees fit.

Clause 144

GENERAL ANTI-ABUSE RULE: PROVISIONAL COUNTERACTIONS

The Financial Secretary to the Treasury (Mr David Gauke): I beg to move amendment 114, page 194, leave out lines 12 to 15 and insert—

“( ) notifies the person of the person’s rights of appeal with respect to the notified adjustments (when made) and contains a statement that if an appeal is made—

(i) no steps may be taken in relation to the appeal unless and until the person is given a notice referred to in section 209F(2), and

(ii) the notified adjustments will be cancelled if HMRC fails to take at least one of the actions mentioned in section 209B(4) within the period specified in section 209B(2).”

The First Deputy Chairman: With this it will be convenient to discuss the following:

Clause stand part.

Government amendments 115 to 174, 178, 175 to 177 and 179.

Clause 145 stand part.

Government amendments 82 to 86.

Amendment 4, in clause 146, page 209, line 25, leave out lines 12 to 15 and insert—

“( ) notifies the person of the person’s rights of appeal with respect to the notified adjustments (when made) and contains a statement that if an appeal is made—

(i) no steps may be taken in relation to the appeal unless and until the person is given a notice referred to in section 209F(2), and

(ii) the notified adjustments will be cancelled if HMRC fails to take at least one of the actions mentioned in section 209B(4) within the period specified in section 209B(2).”

Government amendments 87 to 99.

Clauses 146 and 147 stand part.

Government amendments 100 to 110.

Government amendments 112, 111 and 113.

Schedule 18 stand part.

Government amendments 69 to 81.

Clauses 148 and 149 stand part.
Amendment 1, in schedule 19, page 516, line 21, at end insert—

'(2A) A group tax strategy of a qualifying group which is a MNE group must also include a country-by-country report.

(2B) In paragraph (2A) “country-by-country report” has the meaning given by the Taxes (Base Erosion and Profit Shifting) (Country by Country Reporting) Regulations 2016.”

Amendment 5, page 516, leave out line 39 and insert—

'(2) The director or directors of the head of the group are personally jointly and severally liable to a penalty of £25,000 if:’.

Amendment 6, page 517, line 1, leave out “head of the group is” and insert “director or directors, held jointly and severally liable, of the head of the group are”.

Amendment 7, page 517, line 5, leave out “head of the group is” and insert “director or directors, held jointly and severally liable, of the head of the group are”.

Amendment 8, page 517, leave out lines 11 to 15 and insert—

'(5) At the end of that period, the director or directors of the head of the group—

(a) are personally jointly and severally liable to a further penalty of £25,000, and

(b) where the failure mentioned in sub-paragraph (4)(b) continues, are liable to a further penalty of £25,000 at the end of each subsequent month in which no such group tax strategy is published.”

Amendment 9, page 517, line 15, at end insert—

'(6) Any director held personally liable to pay a penalty under this Part cannot be reimbursed by the head of the group or any entity within or associated with that group.

(7) If the head of the group or any entity as described in subsection (6) is found to have either fully or partially reimbursed a director or directors for the penalty for which they were personally liable, the head of the group or the entity will in turn be liable for a penalty of £100,000.”

Amendment 10, page 518, leave out line 24 and insert—

'(2) The director or directors of the head of the group are personally jointly and severally liable to a penalty of £25,000 if:’.

Amendment 11, page 518, line 29, leave out “head of the group is” and insert “director or directors, held jointly and severally liable, of the head of the group are”.

Amendment 12, page 518, line 33, leave out “head of the group is” and insert “director or directors, held jointly and severally liable, of the head of the group are”.

Amendment 13, page 518, leave out lines 39 to 43 and insert—

'(5) At the end of that period, the director or directors of the head of the group—

(a) are personally jointly and severally liable to a further penalty of £25,000, and

(b) where the failure mentioned in sub-paragraph (4)(b) continues, are liable to a further penalty of £25,000 at the end of each subsequent month in which no such group tax strategy is published.”

Amendment 14, page 518, line 43, at end insert—

'(6) Any director held personally liable to pay a penalty under this Part cannot be reimbursed by the head of the group or any entity within or associated with that group.

(7) If the head of the group or any entity as described in subsection (6) is found to have either fully or partially reimbursed a director or directors for the penalty for which they were personally liable, the head of the group or the entity will in turn be liable for a penalty of £100,000.”

Schedule 19 and clause 150 stand part.

Amendment 19, in schedule 20, page 534, line 23, at end insert—

‘, or P has introduced Q to a person R with whom P has a business relationship, where P knows or should know that R is likely to facilitate Q to carry out offshore tax evasion or non-compliance.”

Amendment 20, page 535, line 5, at end insert—

‘; and P will be deemed to have known if P wilfully or recklessly failed to make such enquiries that a reasonable and honest person would have made”.

Schedule 20, clause 151, schedule 21, clauses 152 and 153, schedule 22 and clause 154 stand part.

New clause 4—Report on the workings of the General Anti-Abuse Rule—

‘(1) The Chancellor of the Exchequer shall, within one year of the passing of this Act, publish a report on the workings of the General Anti-Abuse Rule.

(2) The report must include but need not be limited to—

(a) the number of meetings held by the General Anti-Abuse Rule Advisory Panel;

(b) the date by which the procedures of the Advisory Panel were published;

(c) the number of cases referred to the Advisory Panel and by whom;

(d) the number of cases on which a decision has been made by the Advisory Panel;
There is a great deal to cover and a large number of amendments have been tabled by Opposition Members, many of which I shall have to cover briefly. I shall try to provide as much information as I can as quickly as I can and respond to points raised in the course of the debate.

Clauses 144 to 146 make administrative changes to the general anti-abuse rule—the GAAR procedure—and introduce a new penalty for those who enter into abusive tax arrangements. Clause 144 allows Her Majesty's Revenue and Customs to make a provisional GAAR counteraction where it believes additional tax is due but the assessment time limits are due to expire. Clause 145 is an administrative change to strengthen the GAAR's procedural efficiency. The GAAR procedure currently requires each user of the same type of marketed tax avoidance arrangements to be referred separately to the GAAR advisory panel. This is an inefficient use of HMRC's and the advisory panel's resources, so clause 145 corrects this. Clause 146 introduces a new penalty of 60% for taxpayers who enter into abusive tax arrangements that are counteracted under the GAAR.

The Government have tabled 84 amendments to clauses 144 to 146, making minor changes to ensure that the legislation works as intended, but let me respond now to new clause 4 and amendment 4, which relate to the GAAR clauses I have just outlined. New clause 4 asks the Government to conduct a review of the GAAR in a year's time. The GAAR advisory panel is already required to publish anonymised reports of the cases it considers. It is difficult to see how this new clause could provide a better insight into GAAR cases than this.

Amendment 4 proposes that a penalty of 100% is introduced for the GAAR. While under HMRC's existing penalty rules a penalty of 70% to 100% will usually be charged in cases of fraud, it is right for the GAAR penalty to sit just below this. Under the new measure, tax avoiders can be charged penalties under the existing penalty rules and the GAAR penalty up to a maximum of 100%. As such, the amendment does little more than what we are already suggesting, and I therefore urge the House to reject it.

Clause 147 and schedule 18 introduce the new serial avoidance regime and a new threshold condition for the existing POTAS—promoters of tax avoidance schemes—regime introduced by clause 148. The new serial avoidance regime will tackle those tax avoiders who use multiple tax avoidance schemes. It will work by putting avoiders on notice when HMRC defeats a scheme they have used. If they use further schemes and HMRC defeats them, they will face serious and escalating sanctions, including a penalty starting at 20% of tax understated and reaching 60% for a third scheme defeat while under notice. Clause 148 introduces a new threshold condition for the promoters of tax avoidance schemes regime so that promoters who have promoted three schemes that have been defeated by HMRC over an eight-year period risk entering the POTAS regime.

The Government have tabled 27 amendments to clause 148 and schedule 18. The amendments to schedule 18 provide for those who try to avoid tax through companies they own or partnerships to be brought within the scope of the new regime. Amendments to clause 148 provide for POTAS to apply in circumstances where tax avoidance is promoted through associated persons. The remaining amendments make minor changes to ensure the schemes work as intended.
Clause 149 introduces a new requirement for large businesses to publish their tax strategies, ensuring greater transparency about their tax approach to HMRC, shareholders and the public. Transparency promotes good tax compliance while providing a fairer, more stable and competitive environment in which to do business. The strategy published by businesses must cover the areas specified in legislation, be updated annually and remain accessible. A penalty may be chargeable if a strategy is not published or if the information contained does not meet the requirements of the legislation.

The Government are also committed to tackling cases of aggressive tax planning. Schedule 19 introduces a new special measures process which will apply sanctions to large businesses that persistently undertake aggressive tax planning or refuse to work with HMRC in a collaborative and transparent way. Taken together, clause 149 and schedule 19 will help to reduce the appetite for aggressive tax planning and improve large business tax compliance.

On the amendments tabled by the Opposition, amendments 5 to 18 would collectively introduce a requirement for directors of a business to be personally, jointly and severally liable for a penalty of £25,000 should the business fail to comply with the legislation. However, I do not believe that her amendment is technically flawed, and hence would not achieve the transparency objective of the amendment.

The amendments tabled by the Opposition, amendments 9, 14 and 18 also propose that the said named directors should not be reimbursed in any way and would impose further penalties.

These amendments are disproportionate and go against the principle of encouraging behavioural change across businesses. Boards take a collective responsibility for any decisions made on behalf of their businesses and their tax strategy is no exception. Ultimately, this Government believe any penalty is a business responsibility, not one to be pursued across a group of directors. In summary, these amendments would result in less clarity around any sanctions, not more, and I urge the House to reject them.

The amendment to clause 149, tabled by the right hon. Member for Don Valley (Caroline Flint), seeks to require large multinational enterprises to publish a country-by-country report on their activities within their published tax strategy. As I have set out, this Government fully share her aims of increasing transparency and clamping down on avoidance and evasion wherever it occurs. Indeed, this Government have led the way in calling at an international level for public country-by-country reports. However, I do not believe that her amendment would help to achieve the objectives that we all espouse. It is technically flawed, and hence would not achieve the stated transparency or pro-business objectives that we all espouse.

The right hon. Lady has said that multinational businesses such as Google would be forced to publish headline information about where they do business, the money that they make and the tax that they pay, but that is not the case. According to Government legal advice, the amendment would, in practice, place such a requirement only on UK-headquartered multinationals. Foreign-headquartered multinationals such as Google would not be caught at all, and that undermines the transparency objective of the amendment.

The amendment also risks putting UK multinationals at a competitive disadvantage by imposing a reporting requirement that does not apply to foreign competitors operating in the same market. For example, a company headquartered in the UK, whether on the mainland or in Northern Ireland, would have to file public reports, but a company headquartered in the Republic of Ireland— or, indeed, pretty well anywhere else—would not. That, I think, contradicts the level playing field objective whose importance the right hon. Lady has emphasised. At a time of increased uncertainty, we should be particularly cautious about disadvantaging UK-based businesses and imposing on them a further commitment that does not apply to their foreign competitors.

Dame Margaret Hodge (Barking) (Lab): I am grateful to the Minister for giving way, especially as he is in pain. He said earlier that the amendment was “technically flawed”, but that is not the advice that my right hon. Friend has received. It seems to me that, in reality, the Government are more driven by their ideas about tax competition. Will the Minister confirm that that is the case? If it is, I suggest to him that transparency is more important for the British people in particular, and that if any global company chooses to leave the UK simply because of demands for transparency and demands that it pay fair tax, which will be a rare occurrence, it may well be that it is not the sort of company that we want to be headquartered here.

Mr Gauke: There are some issues of timing, but I must emphasise that the only companies that would fall within the scope of the amendment would be UK-headquartered companies. The Googles of this world would be unaffected. We believe that all this should be done on a multilateral basis, and—although my timing may be slightly unfortunate—I should point out that considerable progress has been made at European Union level. Indeed, the relevant commissioner has said that we are on the cusp of a deal and that he hopes that it will be concluded during the course of the Slovakian presidency, in the second half of this year. The UK has been leading the way in that debate, and, indeed, we have been calling for the Commission to toughen up its rules.

Several hon. Members rose—

Mr Gauke: I will just finish what I am saying before I give way. I am being bombarded by distinguished right hon. Members.

We know that the debate on corporation tax tends to focus on companies’ sales, but corporation tax is not based on sales; it is based on activity. If a company takes part in a lot of activity in the UK but makes a lot of sales in another jurisdiction, it is likely to pay a lot of tax in the UK, but not a lot of tax in other jurisdictions where there is little or no activity but a great many sales. If the UK is the only jurisdiction that is putting out this information, or requiring its companies to put it out, there will be many examples of UK companies that are acting completely properly in foreign jurisdictions and not paying a lot of tax in those jurisdictions, but are vulnerable to criticism. It would be very much easier for all businesses to be able to point to an Italian, German, French or Swedish company that is in the same position, with a lot of activity in its own jurisdiction and a lot of sales in another jurisdiction, and is paying its tax where the activity is, not where the sales are. If the UK is acting unilaterally, I worry about unfair reputational
Mr Gauke: I think that the principle and the destination are pretty clear. We are moving in the direction of companies’ publishing this information, and I believe that the UK should be leading the way in working out a multilateral deal in which a number of countries impose essentially the same requirements. That, I think, would help to improve transparency and would provide a level playing field.

I do not think that the UK should be the last mover in this respect by any means. The United States seems to be some way away from moving in this direction, and I do not think that we should wait for the United States; I think we should be there before it. We should be able to deliver, especially given that such good progress is being made at European Union level. We remain members of the European Union, and there is appetite for this in other EU states. I have no doubt that, if no progress has been made in a year or two, the right hon. Member for Don Valley will come back and ask, “Why has this not been made in a year or two, the right hon. Member for Don Valley? We are keen to implement public country-by-country reporting, and we want to do it on a multilateral basis. As I have said, if there was a lack of progress the Government would obviously want to return to the issue, given the concerns that I think are felt by Members in all parts of the House. However, I think that we are in a position to aim for what I am sure we all agree would be the best result: achieving our aims on a multilateral basis.

Meg Hillier: Will the Minister give way?

Mr Gauke: I will certainly give way to the Chairman of the Public Accounts Committee.

Meg Hillier: It is clear that the Minister has some sympathy with the amendment tabled by my right hon. Friend the Member for Don Valley (Caroline Flint) and most of the Public Accounts Committee, along with many other Members in many parties. Rather than requiring my right hon. Friend to come back to the House, will he therefore commit the Government to looking at this matter unilaterally if multilateral agreement is not achieved? Or will he go even further today and agree to a sunrise clause to add to the proposals that my right hon. Friend and I, and others, have put forward, so that this can come into action if the multilateral agreement that he is hoping for does not come to fruition?

Mr Gauke: We are in quite a fast-moving area, and the progress that has been made in recent months has been considerable. Just at the beginning of this year, it looked unlikely that a deal would be possible, but now it looks as though the EU is heading in that direction. As I have said, the EU Commissioner has said that something is likely to happen by the end of this year. I must add the slight caveat that we will have a new Prime Minister by then, but it is certainly my view that if we have not made progress by this time next year on reaching a multilateral agreement, we will need to look carefully at the issue once again. I do not want to make a full commitment on this because—I am standing here desperately with the Dispatch Box as a source of support—I might no longer be in this position by then. I make that caveat, but I believe that there is every chance of an agreement. I would be disappointed if we did not make progress by this time next year on reaching a multilateral agreement, we will need to look carefully at the issue once again. I do not want to make a full commitment on this because—I am standing here desperate with the Dispatch Box as a source of support—I might no longer be in this position by then. I make that caveat, but I believe that there is every chance of an agreement. I would be disappointed if we did not make progress, but in the event of that happening—I hope it is unlikely—we would need to look at this again. I suspect that there is agreement between us here that it would be better for us to get a multilateral agreement than for us to go off alone.

David Mowat: The Finance Bill is not the ideal way in which to address this issue fully. I make no criticism whatsoever of the right hon. Member for Don Valley, who has shown much ingenuity in managing to ensure that her amendment is in order, but this is essentially an issue for company law.

We are keen to implement public country-by-country reporting, and we want to do it on a multilateral basis. As I have said, if there was a lack of progress the Government would obviously want to return to the issue, given the concerns that I think are felt by Members in all parts of the House. However, I think that we are in a position to aim for what I am sure we all agree would be the best result: achieving our aims on a multilateral basis.
Mr Gauke: I do not think that this has to be universal, but there would be disadvantages for the UK if we were the only country to do it. There is a sense that UK companies would be criticised for failing to pay very much tax in jurisdictions where they did not have a lot of activities but had a lot of sales. This comes back to the point about educating the public about how corporation tax works. I think it would be an awful lot easier if there were just a few examples of other countries doing this. I do not think it needs to involve every other country, but if, for example, Germany, France and Italy had the same type of system, every time a UK company was criticised we could say, “What about that French company? What about that Italian company? The same principles apply to them.”

We do not have to move at the pace of the slowest, but if we adopt an isolated position on this, there would be a reputational risk for UK businesses. We do not need to run that risk, particularly as good progress is being made, and I urge the House not to accept this amendment. Instead, I hope that we will be able to implement a measure over the next few months.

David Mowat: I suppose it depends which multinationals are in which segment of competition, but is the Minister saying that as long as, say, two or three other countries were to do this, the UK would join in?

Mr Gauke: I do not want to put a precise number on this. There is a threshold, and it depends on which countries those might be, but if I thought that three or four significant economies were going in the same direction, the case for doing this would be much stronger. Or, to put the reverse argument, if I were standing here next year and two or three other countries had gone down this route, the concerns that I am expressing from the Dispatch Box today would clearly carry less weight than I think they do today.

Meg Hillier: Perhaps I can help the Minister. On behalf of the Public Accounts Committee, I sent an open letter to the chairs of European finance and public accounts committees or their equivalents. The Minister might have picked up the fact that, to date, the letter has been signed by the chairs of parliamentary finance committees in Germany, Hungary, Finland, Norway and Slovakia, as well as by senior MPs in the Netherlands, the Czech Republic and Bulgaria. We also know that the French Finance Minister, Michel Sapin, is doing some interesting work in this area, as are many others. Does that help to push the Minister in the right direction and enable him to make us more of an offer today?

Mr Gauke: Well, it supports my optimism that we are on the cusp of a multilateral deal, and that will enable us to work out the legislation in the most comprehensive and effective way. As I have said, our preference would be to do this through company law rather than through a Finance Bill, but the hon. Lady’s intervention supports what I was saying earlier about the comments of the relevant EU Commissioner at the last ECOFIN meeting in Luxembourg, which I attended 11 days ago. He was optimistic that we would reach agreement by the end of this calendar year. If that is the case, it is hugely encouraging, and the point that the hon. Lady has just made supports that proposition.

Nigel Mills (Amber Valley) (Con): I hope that the Minister will be willing to channel the leadership and enthusiasm that the UK showed in relation to the diverted profits tax, when we chose to go out alone and not wait for international agreements on base erosion and profit shifting. We introduced a whole new tax, with compliance burdens and penalties, and I suspect that that was a far bigger deal than requiring companies simply to disclose what they are already disclosing but in a slightly different format. I think that that was the right way to go.

Mr Gauke: My hon. Friend is right to mention the fact that we went ahead with the diverted profits tax, although doing so was clearly consistent with the direction of the base erosion and profit shifting process. That tax also brought in significant revenue to the UK, which has been very helpful.

If we want to achieve greater transparency, as I believe we all do, it is right that we focus on driving forward international efforts on public country-by-country reporting. In order to get full information on foreign multinational entities’ global activities, multilateral agreement will be required to enable countries to introduce comprehensive rules with the widest possible scope. This will allow for a comprehensive multilateral approach that applies consistently across UK and foreign multinational entities. We must get this right so that, when it is introduced into UK law, it is effective and enforceable. We will continue to support and drive this multilateral change forward following the result of the referendum, and I share the determination of the Members supporting this amendment not to move at the pace of the slowest.

Mr Mitchell rose—

Mr Gauke: I will give way one more time, but I am conscious that I am taking up a lot of time in what is quite a short debate.

Mr Mitchell: The Minister is being extremely generous in giving way. I am sure we all agree with him that this should be done multilaterally—there is nothing between us on that—and I am sure that it will be helpful to him in his aim of being able to demonstrate strong support for this across the House of Commons when he is dealing with his international partners. I should like to make a suggestion, and I hope that it will be helpful. Would he consider asking his officials to draft a clause for public discussion that is not defective and that he could put to his colleagues multilateral as a measure that they might wish to include in their parliamentary legislation?

Mr Gauke: I am grateful to my right hon. Friend for that suggestion. Let me take it away, because there are a number of ways in which this could be done, and we would want to consider it. I believe that this debate will be helpful to our parliamentary and governmental colleagues in other jurisdictions in that it demonstrates our cross-party determination to make progress on this matter. We are committed to acting swiftly to implement international agreements, as we have done with the OECD BEPS recommendations on country-by-country reporting. We are committed to improving the transparency of multinational tax affairs, but we support an effective multilateral approach. At this time of increased uncertainty,
a domestic measure of the sort being discussed today would, I fear, disadvantage UK business for the reason that I outlined. I look forward to hearing the contribution of the right hon. Member for Don Valley, but I hope she is satisfied with the assurances that I have provided today.

Clause 150 and schedule 20 create new civil penalties for those who have deliberately assisted taxpayers to evade UK inheritance tax, capital gains tax or income tax via offshore means. The bill introduces a financial penalty of up to 100% of the tax evaded and public naming in the most serious cases.

I want briefly to respond to Opposition amendments 19 and 20. The intentions of amendment 19 seem twofold. The first would ensure that it is considered enabling to act as an introducer. Schedule 20 already covers acting as an introducer, so that part of the amendment is unnecessary. The second aim is to set a test to check whether it objectively appears that the adviser should have known that the advice was likely to enable offshore tax evasion and is therefore an enabler. The test would introduce a great deal of uncertainty, meaning that it would be unclear how much due diligence should be completed.

Similarly, amendment 20 proposes a test that would ask whether the adviser wilfully or recklessly failed to make inquiries that a reasonable and honest person would have made. The courts generally recognise that knowledge includes so-called “blind-eye” knowledge—where a person has a firm suspicion about specific facts and deliberately decides not to find out more about them—meaning that an enabler cannot bury their head in the sand. If they have good reason to think that they are assisting evasion, failing to make proper inquiries will not help them and they will be penalised under the schedule as it currently stands. Given the restrictions and uncertainty that amendments 19 and 20 would introduce, I urge hon. Members to reject them.

Clauses 151 to 153 and schedules 21 and 22 strengthen civil sanctions levied on offshore tax evaders. Clause 151 will increase the minimum penalties for deliberate offshore tax evasion to 30% of the tax due. The current minimum penalty is 20% and the maximum penalty will remain up to 300% of the tax due. The clause will require offshore evaders who are seeking to minimise or reduce their penalty to provide more information about their evasion and enabling activities in co-operation with HMRC.

Clause 152 removes the protection from being publicly named for deliberate offshore tax evasion unless an offshore evader comes forward to HMRC voluntarily and makes a full disclosure. In addition, clause 152 allows HMRC to name the individual who controls a company or entity that has participated in offshore tax evasion and enabling activities in co-operation with HMRC.

Clause 153 introduces a new asset-based penalty that will apply to the most serious cases of deliberate offshore tax evasion, where the tax loss exceeds £25,000, and will levy a penalty of up to 10% of the value of the asset connected to the evasion. Such assets could include physical property, intellectual property, shares and bank accounts. The asset-based penalty will be levied in addition to any other tax-ginned penalties and interest due. Taken together, the measures will provide HMRC with a greater understanding of tax evasion while significantly increasing the penalties on tax evaders and those who help them.

New clauses 5 and 6 concern the reporting of a number of offshore tax evaders who have been named by HMRC and the number of asset-based penalties levied within a year of the passing of this Bill. The asset-based penalties are expected to apply from the 2016-17 tax year and the strengthened naming provisions are expected to apply from the 2017-18 tax year, with the first details published under this clause expected to be in 2019-20. As such, there would be no time for the activities covered by the amendments to have happened by the deadlines set for the Government to report on them.

1.15 pm

The Government are taking action to increase penalties on offshore tax evaders and those who enable them. However, there remains a persistent minority of taxpayers who continue to evade UK tax in that way. To tackle the minority, clause 154 introduces a new criminal offence for those persistent offshore tax evaders. Crucially, the offence does not require the prosecutor to prove that a taxpayer intended to evade their UK tax responsibilities on offshore income, increasing our ability to prosecute offshore tax evaders. A successful conviction under the offence can result in a fine or a prison sentence of up to six months. Those who continue to break the rules should face tougher sanctions and the new offence will help to ensure that they do.

New clause 7 makes a requirement to publish a report on the impact of the new criminal offence within a year of the Bill being passed. The new criminal offence is expected to come into effect from the 2017-18 tax year at the earliest, which is beyond the one-year deadline set out in the new clause, making it redundant. In addition, HMRC already publishes information on tax crime.

New clause 8, tabled by the SNP, proposes a review of arrangements to facilitate whistleblowing about suspected tax evasion in the banking and financial services industry. HMRC values the extensive information provided each year by the public. During the 2015-16 financial year, HMRC received over 125,000 pieces of information from the public. HMRC’s actions are subject to independent scrutiny and regular inspection from the Office of Surveillance Commissioners. I am satisfied that that gives me good assurance that its work in this area is well managed and highly effective. We therefore do not believe a review is necessary and urge Members to reject the new clause.

Dame Margaret Hodge: Will the Minister give way?

Mr Gauke: I will certainly give way. I was about to turn to new clause 9.

Dame Margaret Hodge: I want to make two points about the response to whistleblowing. First, as I read the clause, it would lead to a review of whistleblowing in the banking and financial services sector. During my period as the Chair of the Public Accounts Committee, we did a lot of work on the whistleblowing from Falciani on the Swiss bank accounts and on the PwC leaks in Luxembourg. What was so interesting was that the only action that the two financial institutions took was to try to pursue the whistleblowers through the courts—trying to get them indicted and jailed. That is unacceptable.
Secondly, the internal HMRC lawyer who gave us the evidence that demonstrated that a sweetheart deal had been entered into with Goldman Sachs could not, in the end, return to his job. Everything of his was rifled through from his wife’s computer to his telephone and everything else. That is not good enough. I urge the Minister to think again and to instigate a review.

Mr Gauke: I note what the right hon. Lady says, but I will not let her comments about sweetheart deals pass. We have discussed the matter before, and I point her in the direction of Sir Andrew Park’s review of those settlements and his conclusion that there were no sweetheart deals. This is an issue that she and I have discussed before and no doubt will discuss again, and I fear that we will not reach agreement. I note her points, but I am not persuaded by the case for new clause 8.

Dr Philippa Whitford (Central Ayrshire) (SNP): Will the Minister give way?

Mr Gauke: I am conscious that this is a relatively short debate and that I have already taken up a large proportion of it. I am not quite done, but I will take a short intervention.

Dr Whitford: My point is about the NHS, where whistleblowers have suffered exactly the same kind of detriment, but the Government are now trying to change their attitude. I do not understand why we would not want to support whistleblowers within the industry when we have had one scandal after another for the past decade.

Mr Gauke: My point would be about the sheer scale of the information provided to HMRC. I quoted the 125,000 pieces of information from the public, but by no means are all of those whistleblowers. HMRC certainly does receive a substantial amount of information from whistleblowers, which is helpful. As for how that works and its contribution to HMRC’s activities, I am not aware of worries that that is not working or that the existing provisions with regards to whistleblowers are ineffective. Of course these matters are always kept under review. If I thought that there was a strong case for returning to this issue, I would certainly be interested in doing so, but I am not hearing that at present.

The right hon. Member for Barking (Dame Margaret Hodge) has been waiting very patiently for me to turn to new clause 9, which would require the Government to estimate the impact on the tax gap of expanding our forthcoming register of persons with significant control to companies in the Crown dependencies and overseas territories. I do not believe that the clause would be effective in achieving its aims. It would cast the net too narrowly by focusing on companies with significant levels of trading activity in the UK. As the Prime Minister announced at the recent anti-corruption summit last month, the Crown dependencies and overseas territories have agreed to hold beneficial ownership information on all companies incorporated in their jurisdictions. Importantly, they will share that information with Her Majesty’s Revenue and Customs and UK law enforcement agencies, which means that our authorities will be able to see exactly who owns and controls companies incorporated there.

Although I understand the aims of the new clause, it would be less effective than the steps that we have already taken to improve transparency and tackle tax evasion. I do have some sympathy with the argument that, no doubt, we will hear from the right hon. Lady, but I am not persuaded by it, and I hope that she will not press her new clause to a vote.

I will not take up any more time of the Committee. I have tried to cover as much ground as I can and to anticipate the arguments that we will hear for the rest of this debate. I hope that the Government clauses, schedules and amendments can stand part of the Bill.

Rob Marris (Wolverhampton South West) (Lab): I will try to be relatively brief, but, as the Minister has said, there is an awful lot to get through. I know that many Members wish to speak—indeed, today we have a profligacy of right hon. Members. Members with us, particularly on the Opposition Benches, which is very good—so, perforce, I will have to be brief on various issues.

Labour does not oppose clause 144. On clause 145, which is to do with the general anti-abuse rule, I would like some assurance from the Minister that there are enough staff to deal with this work. I realise that the Government have gone into reverse gear on this, which I welcome, and the number of full-time equivalents has gone up from 57,000 to 60,000 this calendar year. That is a good step, but HMRC was significantly underperforming because it was very understaffed, and clause 145 proposes an additional amount of work for staff to do, so I should like some reassurance on that.

Clause 146 proposes penalties for the general anti-abuse rule. The Chartered Institute of Taxation, which has been extremely helpful to all Members, especially those on the Opposition Front Bench, is concerned that someone might be punished in a rather draconian manner for an innocent error of judgment. However, when my excellent researcher, Imogen Watson, looked at the case to which CIOT referred, she found that it was one to do with customs and excise rather than corporation tax and income tax. Perhaps the Minister can provide some clarification on that.

Amendment 4 on clause 146, which is tabled by me and my hon. and right hon. Friends, deals with raising the penalty from 60% to 100%. I heard what the Minister said about that, but I am concerned that the penalties would not be sufficient to change behaviour and encourage socially acceptable law compliant behaviour, which is what we all want to see.

Clause 147 deals with serial tax avoidance. The Chartered Institute of Taxation has expressed concern, and I understand its point, that this clause might introduce what would be a double penalty for an individual. Generally, we try to avoid double penalties for wrongdoing. Perhaps the Minister could have another think about the clause, or clarify for the Committee today that the CIOT has misunderstood things and there is no such double penalty being introduced. Could the Minister give us an indication—I know that these things are difficult—of how many non-taxpayers will mend their ways as a result of this measure and become taxpayers? Again, there is an issue of funding for HMRC.

Clause 148, which relates to the promoters of tax avoidance schemes, is supported by the Labour Front-Bench team. Although we support clause 149, which deals
with special measures and so on, we have put forward amendments 5 to 18 on it—the Minister referred to them earlier. Those amendments deal with increasing the penalty to £25,000 from £7,500 and for holding a director or directors “jointly and severally liable”. Rather strangely, the Minister said that the Government were in the business of “encouraging behavioural change”. Well, so are we. Having higher penalties could encourage behavioural change, by which I mean somebody not indulging in bad behaviour, and filing their reports and so on. That is why we came up with the idea of joint and several liability rather than leaving it to one person. That means that all directors would be aware of what was going on. Furthermore, if the penalties were levied, they would not be reimbursable, as is too often the case. Too often, companies simply reimburse their staff when the staff have engaged in non-criminal wrongdoing. That is not an incentive for them to avoid wrongdoing in future—quite the reverse if anything.

With clause 149 comes amendment 1. I will be brief on that amendment, because my right hon. Friend the Member for Don Valley (Caroline Flint) will no doubt be speaking to it. It is an excellent amendment, which is fully supported by the Labour Front-Bench team. I will say a couple of things very briefly in response to what the Minister said on it. He said that the amendment is technically flawed. That may be the case, but this is the first of almost 200 amendments. If the Government supported it, they could have corrected any technical flaws they saw in it. I also think that they are being a bit timid here, because I do not see how the provisions under amendment 1 will lead to disadvantage to UK headquartered companies or to reputational damage—quite the reverse. Whether the Minister likes it or not, the reputation of Google was adversely affected in the United Kingdom because its tax deal with the UK authorities was not transparent and because people thought that Google was getting away with it. If there had been more transparency, Google's reputation might not have been adversely affected.

Similarly, provisions in amendment 1 could lead not to reputational damage for UK headquartered companies, but reputational enhancement. I have to say to the Minister—I cannot resist it because he is such a good Minister—that, in our society, talking the talk is seen as hot air, but Gauking the Gauke is seen as being polite and helpful. May I urge him to walk the walk and support amendment 1? If it needs tidying up, he should do it and sort out the technicalities.

Let me talk now about clause 150 and schedule 20—I know that I am going at a bit of a gallop, but there are others who wish to speak. I heard what the Minister said about amendments 19 and 20, which are putative amendments to schedule 20. I defer to his superior knowledge, as this is a very technical area, and I am not an accountant. I think that I understood him to say that what was proposed in amendment 19 was already covered in schedule 20. In relation to amendment 20, he referred to “blind-eye knowledge”, which is a new one on me. I, like him, am a lawyer, and it seems that schedule 20 is introducing civil penalties and not criminal ones, so I accept what he says and will not be pursuing amendments 19 and 20.

Labour supports clause 151, which is to do with penalties in connection with offshore matters and offshore transfers. Clause 152 relates to offshore tax errors and publishing details of deliberate tax defaulters. Helpfully, the explanatory notes say that the clause will amend the Finance Act 2009 to allow HMRC “the power to publish the details of an individual who controls a body corporate or a partnership”—when it has been—“charged a penalty for a deliberate failure to notify HMRC of a tax charge or deliberate inaccuracy in a return, and”—when that individual—“would have obtained a tax advantage”—from it—“had it not been corrected.” This might involve an offshore matter or transfer.

1.30 pm

That would mean HMRC publishing details of naughty taxpayers or naughty non-taxpayers. In that connection, may I urge the Government again to think about when HMRC, which is under the supervision if not the direct control of the Government and where the Government have a great say on overarching policy matters, to reconsider the question of taxpayer confidentiality? When deals are being done with large companies, as opposed to individuals, those deals could, as part of HMRC’s bargaining, include a waiver of confidentiality on the deal. So, for example, in the notorious Google tax deal, the Chancellor of the Exchequer—understandably—repeatedly said, “I can’t tell you how we got to the deal. That is confidential.” Yes, that was true, but unfortunately that was because HMRC, with the Chancellor of the Exchequer, failed to insert in that agreement with Google a waiver of confidentiality from the taxpayer. If the taxpayer waives their confidentiality, the Government can publish it all. That should be in such settlements, and should have been in the appalling settlement with Vodafone that was done for billions of pounds—I think under a Labour Government, shamefully.

New clause 4, tabled by me and my hon. Friends, relates to clause 152 and requires a report on the workings of the general anti-abuse rule. I am sorry that the Government are apparently not going to accept it. In connection with that, I understand what the Government have said about new clauses 5, 6 and 7 and about the timeframes in them being meaningless because the reports would have to be done before the measures on which they were reporting had been implemented. I quite understand that. I did not understand the Minister to say that about new clause 4, but, if he did, he could perhaps clarify when summing up that it is a deadline issue. If it is not a deadline issue, as it was with new clauses 5, 6 and 7, perhaps he could confirm that the Government will support new clause 4, as they should.

Clause 153 is quite interesting for those of us on the Opposition Benches who like to try to think widely on tax measures, because it is a small step towards a wealth tax. That might not be the Government’s intention, and I am not saying that it is Labour’s proposal on taxes. We are looking at things very broadly, but asset-based penalties for offshore inaccuracies and failures are introduced by clause 153 and schedule 22. In that connection, I want to raise an issue that was raised with me by the Law Society of England and Wales. I declare
an interest in that I am a member in good standing of that organisation—as is the Minister, I suspect. The Minister might have a ready reply for the issue the society raised: as we are talking about asset-based penalties, how does one value the asset? What is the mechanism for its valuation and what happens for those assets that fluctuate in value?

Labour supports clause 154, on offences relating to offshore income, assets and activities. I think that the Minister has already responded on the question of new clause 7, which, in a sense, would be coupled with the clause. He pointed out that the deadlines would not marry up, with the report being done before measures came into effect, and I quite understand that. I apologise to the Committee for not spotting it.

That brings me on to new clause 9, tabled by my right hon. Friend the Member for Barking (Dame Margaret Hodge), which is supported by those on the Labour Front Bench. I will let my right hon. Friend explain its necessity and desirability to the House if she catches the eye of the Chair.

Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP): In the light of our debate this morning, an appropriate opening remark would be to point out that I believe that in the next hour we are debating the most important part of this year’s Finance Bill. Many amendments have been spoken about already this morning, and I am sure that Members will forgive me if I try to make my remarks brief and to focus only on three matters: the appropriate changes discussed in amendment 1, tabled by the right hon. Member for Don Valley (Caroline Flint) and others; new clause 8, tabled by me; and new clause 9, tabled by the right hon. Member for Barking (Dame Margaret Hodge). Let me say at the outset that the Scottish National party supports both that amendment and that new clause.

I will be brief, because I want to allow more time for the right hon. Ladies to present their case as fully as they can. Let me say something in general about why we are concerned. We all know that there is huge concern among the public about the extent of tax evasion and hidden wealth. It was a growing concern before the release of the Panama papers, and I remember discussing it in this House in the first week in February. It has been fuelled by concerns as people become more aware of the hiding of money in tax havens by individuals, corporations and trusts.

Let us put this debate into a broader context. According to Jason Hickel of the London School of Economics, tax havens hide one sixth of the world’s total private wealth. He has estimated that at about $20 trillion. Whether that is very accurate or not, all observers would agree that the total amount of money involved is absolutely staggering in scale. Indeed, the Panama papers from Mossack Fonseca are just the tip of the iceberg as regards what we face in the world today.

Many issues need addressing. Neither this debate nor the proposed amendment and new clauses address them all, but they are a start. I have been very disappointed by some of the Minister’s reasoning, particularly that on amendment 1. It struck me that he started to redefine on at least three occasions what he meant by multinational. First, he seemed, in my view, to be speaking as though it was almost global in nature, then it became EU-specific, then it became about just a few countries. It struck me that it is not amendment 1 that has not been thought through thoroughly, but the Government’s response to it. If the right hon. Member for Don Valley proposes to press it to a vote, the SNP will certainly follow her into the Lobby.

We know that many different groups are involved. The amendments specifically refer to corporations, but more than corporations are involved. If we had tabled our own amendment, we might have chosen slightly broader amendments to encompass trusts, for example. Being reasonable, we must put ourselves in a position where we make the first step. Sometimes somebody needs to make the first step.

When the Minister was talking, he reminded me of the days when I used to trod through the library at Stirling University, taking students and showing them back copies of Hansard. We could look at back copies of Hansard from the 18th and 19th centuries, and the subject that arose more than any other in debates in the House was slavery. One of the arguments continually used against doing something to make slavery illegal was that it would not create a level playing field.

Somebody has to be first. This is not just about finance and technical considerations, but about fundamental ethical considerations. Those ethical considerations are why we hope that these matters will be pressed to a vote and we will support the right hon. Ladies in that.

David Mowat: The hon. Gentleman is right that somebody has to go first. I have one thought for him, and I would be interested in his view. His country relies quite heavily on the oil industry. Is he absolutely certain that it is right to impose something on Shell or BP that the Italian Government will not impose on Eni and the French Government will not impose on Total?

Roger Mullin: I thank the hon. Gentleman for being interested in my view. Although I understand the point that is being made as well as that being made by the Minister, I think that in these matters, for all large corporations that operate nationally, taking the first step puts them at a reputational advantage because they are seen to lead the way even though there might be occasions on which doing that appears to put them at some short-term commercial disadvantage. So this is not as simple as saying that anyone is necessarily incurring a commercial disadvantage. For those reasons, we would welcome these new clauses, and we are aware that they would also apply to important sectors of the Scottish economy.

I shall briefly say something about the Scottish National party’s new clause on whistleblowing. I am particularly grateful to the right hon. Member for Barking for asking the Minister why he would not support that new clause. Indeed, as she spoke, I thought that, rather than our pressing the new clause to a vote here, it might be best to engage in cross-party discussions on how best to construct a thorough way forward. I agree wholeheartedly with the right hon. Lady, because when we look at the number of cases that have involved taking whistleblowers to court, one wonders where the balance of the scales of justice lie.

I recognise that changes have been made to the requirements on whistleblowing, some of which came into effect this September in the banking sector, but the requirements oblige companies to do things such as
appoint their own whistleblowers champions and report the amount of whistleblowing to their boards. Those things require a culture of willingness in companies. If the will is not there, the current processes will have next to no effect. We are not saying that we know precisely how to secure effective whistleblowing. That is why it would be useful to have some cross-party discussions, in which I am sure the right hon. Lady would be happy to engage. In that spirit, although we believe in the new clause, we will not press it to a vote and look forward to supporting the votes led by the right hon. Ladies.

Caroline Flint: I rise to support amendment 1, in my name and those of my hon. Friends the Members for Hackney South and Shoreditch (Meg Hillier) and for Houghton and Sunderland South (Bridget Phillipson) and the hon. Members for Amber Valley (Nigel Mills), for Southport (John Pugh) and for Edinburgh North and Leith (Deidre Brock). I am grateful for the support of six other members of the Public Accounts Committee who signed this amendment: my hon. Friend the Member for Islwyn (Chris Evans) and for Bristol South (Karin Smyth) and the hon. Members for Berwick-upon-Tweed (Mrs Trevelyan), for South Norfolk (Mr Bacon), for Peterborough (Mr Jackson) and for Warrington South (David Mowat). In total, 77 right hon. and hon. Members have signed the amendment, and it is a pleasure to follow the hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin).

Apart from the Labour party’s support, for which I am extremely grateful—particularly that of my hon. Friend the Member for Wolverhampton South West (Rob Marris), who has been fantastic in his liaison and advice—Scottish National party, Liberal Democrat, Ulster Unionist party, Social Democratic and Labour party, Plaid Cymru, Green party and UK Independence party Members, alongside a number of Conservative Members, and the independent hon. Member for North Down (Lady Hermon) support amendment 1. There is truly cross-party support, and I am therefore grateful to all those right hon. and hon. Members.

Amendment 1 also has the welcome support of the business-led Fair Tax Mark and the Tax Justice Network and that of development charities such as Christian Aid, the Catholic Agency for Overseas Development, Oxfam, Action Aid, the One Campaign and Save the Children.

It is understandable, given the momentous events of recent days that are creating ripples that reach all corners of our nations and across parties, if Members are a little distracted from the business that we are debating today, so let me be clear about what is at stake. If amendment 1 is agreed to, the Government’s requirement that companies publish their group tax strategy on their websites will include, for large multinational enterprises with bases in the UK, the headline details required on HMRC guidance that already affects the reporting strategies that HMRC have proceeded in these important areas.

There is widespread concern in the House, across all parties, that multinationals operate by different rules from the majority of hard-working, tax-paying businesses, large and small, in the UK. The greatest weapon of multinational enterprises is that their tax arrangements are shrouded in secrecy. The problem is that, in today’s world, as leaks emerge and information comes out, it is death by 1,000 cuts, whereas the amendment is about getting businesses and their reputations back on track. Not only would this be good for business, but it would ensure that those businesses that are playing fair have a chance to set out their claim and what they are doing in a very public way.

Governments across the world face a particular problem with multinationals. The common factor is that revenues are shifted to countries with poor governance, poor monitoring and low or no corporate tax rates. Why in 2010 did Bermuda have total reported corporate profits that were the equivalent of 1,643% of its actual GDP? Could that be because that country has a zero rate of corporation tax? Is there not something odd about a company—let us say, Google—that has huge numbers of staff in one country, but all the revenues reportedly received in another? It would surprise no one to find that the revenues are shifted to countries with poor governance, poor reporting and low or no corporate tax rates. Why in 2010 did Bermuda have total reported corporate profits that were the equivalent of 1,643% of its actual GDP? Could that be because that country has a zero rate of corporation tax? Is there not something odd about a company—let us say, Google—that has huge numbers of staff in one country, but all the revenues reportedly received in another? It would surprise no one to find that the revenues are recorded in a country that has a corporate tax rate of 12.5%, as opposed to the UK’s 20%.

The House can take a stand against this entirely lawful but—I think we would all agree—unethical manipulation of different countries’ tax rules. As the OECD has rightly pointed out in its work on base erosion and profit shifting, the impact is to create unfair competition. Multinational enterprises that transfer profits to low-tax dominions gain a competitive advantage over, say, a UK rival, which pays 20% tax on its profits. We can seek to level that playing field today.

The whole House supported the Chancellor’s legislation to require financial reporting to HMRC from UK-based multinationals with revenues in excess of approximately
£600 million and UK units of such companies where the parent company is based in a country that does not yet agree to country-by-country reporting. That reporting, in accordance with the guidelines that I have mentioned, would include showing for each tax jurisdiction in which they do business the amount of revenue, profit before income tax and income tax paid and accrued, and their total employment, capital, retained earnings and tangible assets. They would be required to identify each entity within the group doing business in a tax jurisdiction and to provide an indication of business activities within a selection of broad areas in which each entity engages. That information must already be provided to HMRC. We are saying, “Let’s go public.” I want the HMRC to be armed with all the necessary information to secure fair tax contributions from these companies, based on their UK activity, but we need more than the HMRC to have a confidential look; we all deserve to see the bigger picture, and by publishing, we will see that.

Publishing is one way to persuade some of these companies to restore their corporate reputations. Was it because of the extraordinary focus on Google that Facebook announced a welcome change to the recording of its profits in the UK? I believe so. If a company is reporting that they have only a PO box and a name plate but no apparent staff or activity, do we not want to know that? Let us follow our convictions; let us do what we know to be right. Let us shine a light on the activities of these large multinationals which—let us be honest—run rings around revenue and customs authorities around the world. Let us not flinch, play for time, and hope that some international agreement will eventually be reached by the EU or the OECD.

I remind Members that so often during the referendum on the UK’s EU membership, we heard a lot from both sides about our Parliament’s sovereignty and our power to make laws and to tackle issues big and small. Well, this is the test. Is Britain still a leader or are we followers? This amendment is a pro-business measure. If we adopted it, Parliament would be saying that every business big and small must play by the same set of rules. The tide of opinion is changing in the business world. I am delighted that this week I have received support from SSE for the principle of public country-by-country reporting. I am delighted to see major firms such as the cosmetics company Lush, which operates in 49 countries, sign up to the Fair Tax Mark and pledge never to use tax havens. I welcome publishing is one way to persuade some of these companies to restore their corporate reputations. Was it because of the extraordinary focus on Google that Facebook announced a welcome change to the recording of its profits in the UK? I believe so. If a company is reporting that they have only a PO box and a name plate but no apparent staff or activity, do we not want to know that? Let us follow our convictions; let us do what we know to be right. Let us shine a light on the activities of these large multinationals which—let us be honest—run rings around revenue and customs authorities around the world. Let us not flinch, play for time, and hope that some international agreement will eventually be reached by the EU or the OECD.

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Finally, in February, the Chancellor told an international meeting of Finance Ministers:

“I think we should be moving to more public country-by-country reporting. This is something which the UK will seek to promote internationally.”

I hear what the Minister says, but there comes a point when we have to show leadership. Much of our tax rules and other rules affecting companies are not applied worldwide. They are British home-grown rules that seek to provide fairness as well as competition.

I welcome the EU’s activities in this area, although I am not sure where we will fit in. We might have to accept whatever the EU says if we are part of the single market. That is a debate for another day. Unfortunately, the present state of the EU’s negotiations does not tackle the problems of those developing countries that lose out. As I understand it, some of the European discussions have not included the publishing of information on the activities of EU-based companies in developing countries. That does not go as far as what we require from companies reporting to our own tax authority, which we are asking to be put in the public domain.

The change that I am calling for would be part of the Minister’s and the Chancellor’s legacy—a chance to lead where other countries are sure to follow. Let us ensure that the age of secrecy is gone. Let us force the multinationals into the light. I humbly request a Division on this amendment, and I urge the Minister and Conservative Members to join right hon. and hon. Members from nine parties in the Lobby with me today to make a historic change. In years to come, we will ask ourselves why we did not do this earlier. Today is the day. Let us stand up for fairness. Today is a day for lions, not lambs. Let us see the British Parliament roar. I urge the Committee to support this amendment.

Nigel Mills: It is a pleasure to follow the right hon. Member for Don Valley (Caroline Flint) and to support her amendment. I shall not repeat the arguments that she made so eloquently, but I shall make a few separate points.

Those of us who regard the UK as a great place to do business, and who want to attract international investment here and encourage our businesses to expand overseas and to export, recognise that we need a business climate that inspires confidence, where firms feel that they can compete fairly and that we have a respected financial system, tax system and market in which those operating here are seen to be behaving properly. Over the past few years we have found out from a series of leaks that large multinational companies have been misbehaving. Those companies are hauled through the press and parliamentary Committees, such as the Public Accounts Committee, on which I serve. That is not the right way to boost our business climate.

We need to move on from that and show the people of the UK and people around the world that companies that are based here and operate here follow the rules, and those that do not follow the rules will be caught and dealt with, and will be strongly encouraged, if not forced, to change their behaviour. That is the way to move the debate forward. Running and hiding and waiting for others to do that will not help. It is we who have taken the lead, taken action publicly against those
companies and made them change their behaviour. For us to resile from that and say, “We’ve done our bit. Let someone else go first” will not work.

We are one of the main global financial centres. Companies come here to list on our stock market that were not founded here and are not headquartered or based here. We need to set an example and say, “If you want to come and be based here, you need to follow the highest standards. We want you to behave ethically.” I have no problem with UK-based companies trading in low-tax jurisdictions. If they are trading there commercially, if they have assets there, if they have employees there, that is their right, but they should publish a report so we can see that what they are reporting is commensurate with their activities there, and that they are not simply hiding profit there that was not earned there. I welcome the increased transparency that the amendment would provide.

I do not believe the bleak competition warnings. It is not as though every small company would be required to provide such a report. The requirement would apply only to companies with turnover of more than €750 million. I would not like to guess what that is in sterling. I am sure it will gradually go up as the economy strengthens, now that we have left the EU. I would be surprised if many companies of that size have major trading activities in developed countries without having a subsidiary there that is making the sales. If those companies do have such a subsidiary, they will have to file statutory accounts in those territories. I suspect that in most regimes those will be public, so people will know the turnover of those big corporations in those regimes, and they will know what tax is due. Companies filing for UK tax have to provide a segmental analysis that shows where they are operating in the world and breaks down turnover and profit. We are not creating a new set of disclosures that do not already exist; we are trying to enhance the ones that we have and make them work.

I checked some major multinational accounts this morning and found one segment that said, “UK, US and international”. That is of no use to us. The idea of segmental reporting in financial accounts was to provide some disclosure so that we knew who was operating where, how much they were making and what they were doing. I do not believe that for the vast majority of very large companies that are trading ethically and not trying to avoid tax the requirement will be a great hardship. I do not believe that for the vast majority of very large companies that are trading ethically and not trying to avoid tax the requirement will be a great hardship. I do not believe that for the vast majority of very large companies that are trading ethically and not trying to avoid tax the requirement will be a great hardship.

Everyone will understand that there is no reason why a company based in the UK that happens to make a few sales in France but has no people or assets there should pay French corporation tax. Similarly, there is no reason why a French company selling into the UK would pay UK corporation tax. We can make that clear. What we want to know about is those companies that have a large turnover and very few assets and employees in a very low-tax jurisdiction, so that we can work out whether they are acting legally.

Perhaps they are—perhaps some guy sitting in Guernsey on his own happened to invent a great product and has been receiving royalties. That is fair enough. He is entitled to do that. If he is based in Guernsey, that is strictly his income. I suspect that there are not many such cases, compared with the scale of business activity in those overseas jurisdictions. At least when such activity is transparent the businesses concerned will be able to explain it and defend themselves, or we will all know that those companies are misbehaving and we will be able to choose whether to buy from them or not. The amendment would help us to achieve that. As with all Back-Bench amendments, it is not perfect. The report should be provided in a company’s financial statement so that there is some assurance from the audit process that the data provided are accurate. I urge the Government to bring forward a Bill which would do that, so that the information would be provided in the right place.

It is not perfect for the reporting requirement to be in a tax policy statement that applies only to the UK and without any audit requirement. It may not provide assurance that all the disclosures are absolutely right and that no territories have been omitted or data combined in a way that we cannot understand. I suspect that there will be penalties for failing to publish the whole statement, but no scrutiny of what is published. Perhaps if the same information is provided to HMRC, there will be greater transparency. HMRC may notice that what is in the public domain is not quite the same as the information submitted to it. We could therefore make the proposal better.

It would probably be better if we tackled this issue EU-wide. I am perhaps the only person in the Chamber who welcomes the fact that we shall be making these laws ourselves, rather than having the EU make them for us—tax was always meant to be a member state competency—but if we want to wait a short period to have these things done in a consistent format across the whole of Europe, I would not mind if publication were in 2018 rather than 2017. However, we could at least have a clause that says that we will do these things from 2018 unless the EU has done something that applies here before then, in which case we could repeal that clause.

However, that is not where we are. We have a choice between passing amendment 1 today or waiting and hoping that somewhere else will take the lead on something that we have been leading on. Our Government have rightly introduced a whole new tax to try to stop corporates abusing the global tax regime. I am not sure that a few disclosures are quite as displacing as a whole new tax was, so I am not sure why we are being a little more cautious in this situation.

However, the right way forward is for us to be united on this issue and for the Government to say, “On reflection, we will bring forward a clause on Report,” so that we can tackle this issue in the right way and not in a slightly forced way. That would be the best way forward, and I hope the Minister will agree when he responds to the debate. We could then show that we are all behind the policy I think the Government have. If we cannot do that, I will support amendment 1.

Dame Margaret Hodge: I am grateful for the support that amendment 1, tabled by my right hon. Friend the Member for Don Valley (Caroline Flint), has received from MPs on both sides of the Chamber and a range of charities and voluntary organisations. The way in which
she prepared for the debate was excellent, and I wish I had done as well, but I was a little distracted by other issues.

New clause 9, tabled by me and other hon. Members, would require the Chancellor to publish an estimate of the impact on levels of tax avoidance and tax evasion of extending the current requirement on UK-based companies to publish information to companies incorporated in the Crown dependencies and overseas territories that have significant levels of trading activity in the UK. The purpose of the new clause is to take forward the Prime Minister’s commitment to have publicly available registers of beneficial ownership for all the Crown dependencies and overseas territories.

As others have said, it is difficult to estimate the amount held in tax havens. Some estimates have put the private financial wealth held in them at between £21 billion and £32 billion, and that money is untaxed or very lightly taxed. The French economist Zucman estimated that £7.6 trillion was held offshore last year, which is the equivalent of the US budget for two years. The OECD has estimated that tax havens may cost developing countries the equivalent of three times the global aid budget. We are talking big, big, big sums.

We saw from the Panama papers how much of the money that is held offshore is held in UK tax havens. Of the 214,000 corporate entities that were exposed in the Panama papers, more than half were registered in the British Virgin Islands. I draw Members’ attention to another interesting bit of data, which shows the role of tax havens and overseas territories. A World Bank review that looked at 213 corruption cases over 30 years, from 1980 to 2010, found that 70% of those cases involved anonymous shell entities. The UK Crown dependencies and overseas territories were second behind the US on the list of those providing the shell entities that enabled that corruption and money laundering to take place.

I welcome the action the Government have taken and the leadership they have shown on the international stage, and we could just stay where we are, but the purpose of the new clause is to urge them to go further. All these issues are being revealed, and will continue to be revealed, through leaks—we have had the Falciani leaks and the Luxembourg leaks, and we have now had the Panama leaks. I am waiting for the next set of leaks; I bet they are out there—I bet a whole bunch of journalists are working on them now—but is that the way we want to learn about how corrupt individuals and greedy corporations are hiding their money, aggressively avoiding and evading tax? Would it not be better if we did everything within our power and within our authority to open up these issues so that we could see whether people were paying their fair share of tax, based on their profits, wealth or earnings, depending on whether they were an individual or a corporation?

The Minister knows that people are really angry about this issue. It is not something that has been invented by Opposition Members. I receive huge swathes of emails and letters every time I raise the issue of tax evasion and tax avoidance. If he takes the action we are suggesting and closes down the tax havens, that will be not just popular but right. That may damage the interests of a few wealthy individuals or corporations, which I think the Minister holds in awe, but it will be in the interests of the many, many people and small companies here in the UK who loyally pay their tax without any question.

I want to take the Minister through the pledges the Prime Minister has made. I was delighted in 2013 when he pledged at Loch Erne:

“Every one of the Crown Dependencies and Overseas Territories are going to have an action plan on beneficial ownership.”

In 2013 he also told them that it was time to rip aside the “cloak of secrecy” by creating a public register of beneficial ownership. In 2014 he wrote to the overseas territories urging them to consider having public registers of beneficial ownership, saying that

“beneficial ownership and public access to a central register is key to improving the transparency of company ownership and vital to meeting the urgent challenges of illicit finance and tax evasion.”

In 2015—this is the fourth example—he went to the Caribbean and again made clear his determination that overseas territories should open up. He said:

“I say to them all today, including those in this region, if we want to break the business model of stealing money and hiding it in places where it can’t be seen: transparency is the answer.”

We all agree with that, and we urge the Government to take action. They should stop talking and start acting. They should not always hide behind international co-operation. There is stuff that we can do now and that we should proceed with urgently.

If we are to know how much tax we lose from individuals hiding their money in anonymous accounts in the overseas territories and Crown dependencies—it could well be laundered money—and how much money global companies are hiding in tax havens as part of their aggressive tax avoidance strategies, we need every country to have a register of beneficial ownership, as set out in my right hon. Friend’s amendment, and those registers have to be public. That is especially important for developing countries.

As the Minister knows, we have the power to act. I fear that the reason the Government are not using their power is that they are happy to allow this massive tax avoidance and evasion to continue. I hope the Minister will reassure me in his reply that that is not the case, but that is what it feels like.

The Government have used the powers they currently have in other areas. We could therefore use an Order in Council to instruct all the overseas territories and Crown dependencies that are under our control to issue public registers of beneficial ownership. It is easy. The Conservative Government did it in the past when they used such Orders to ensure that capital punishment was abolished in overseas territories and Crown dependencies. A previous Labour Government used absolutely the same powers to ensure that discrimination against gay men was made illegal in overseas territories and Crown dependencies. If both the main political parties have used those powers in the past, why are the Government so reluctant to use them for something that is so popularly demanded and would be so important, and where they themselves agree that transparency has to be the way forward?

Some of the overseas territories are co-operating with the Government’s endeavours. However, newspaper reports tell us that the Cayman Islands and the British Virgin Islands are ignoring requests to meet officials to discuss evasion and avoidance. I understand that the Prime Minister has not met a single overseas territory
since he first made the commitment to take action on opening up these tax havens in August 2013. I also understand that the Minister asked the overseas territories with financial centres to have plans for registers of beneficial ownership by 2014, but he was ignored, and he is still doing nothing.

I have here a table prepared by Transparency International that shows the current commitments on beneficial ownership by overseas territories and Crown dependencies. As the Minister knows, it shows that Turks and Caicos has done nothing, the BVI has done nothing, and the Cayman Islands is half co-operating, while Bermuda and others are refusing to have a public central register. The only country in our control that is having a public central register is ourselves. I congratulate the Minister on that—we are setting an example—but let us use our powers to go further.

What we hear and read from the two most important overseas territories—the British Virgin Islands and the Cayman Islands—is a matter of great concern. The British Virgin Islands did not come to the anti-corruption summit; it is against the proposal. Its Premier and Minister of Finance, Orlando Smith, has said:

“The moment we begin housing vast amounts of highly sensitive, private business information and then providing access to that information to a wide array of actors, the risk of a breach goes up immeasurably.

If legitimate businesses fear that their international transactions will be exposed to the world, or, worse yet, accessed by criminals or terrorists”—

I am not sure how that will happen—

“and used as a weapon of extortion or intimidation—then the gears of international finance will start to grind.”

Talking about terrorists and criminals is purely an excuse. The British Virgin Islands simply does not want to open up the books. It does not want us to know what are the beneficial ownerships of companies that have registered there or individuals who hold their money there.

After the Prime Minister said that he had made such wonderful progress in ensuring registers of beneficial ownership that would help us to find out who owned what, where, Premier McLaughlin of the Cayman Islands said:

“This is what we wanted, this is what we have been pushing for three years, for a disaggregated system which leaves the beneficial ownership information intact with the service providers.”

He got away with what he wanted. He was not forced by us to reveal the data that we so desperately need to find out what is hidden there. He went on to say:

“People don’t do business with us because we are nice”.

That is simply not good enough.

I urge the Minister to take this little new clause really seriously. I will request a Division on it. I urge him to do what he says he wants to do and open up to public account the tax havens that we, the United Kingdom, control.

2.15 pm

Meg Hillier: I rise to speak briefly to amendment 1. I congratulate my right hon. Friend the Member for Don Valley (Caroline Flint), many members of the Public Accounts Committee, and Members across the House who have signed this simple but important amendment, which, as others have highlighted, would require a clear public register of company activity. I pay particular tribute to the hon. Member for Don Valley (Nigel Mills), whose expertise on this issue in the Public Accounts Committee has been particularly useful. As he rightly said, this information is mostly public, but one would need to have his qualifications, and there are not many with those, in order to track it down internationally. We on the Public Accounts Committee want a register where it is readily available to the “citizen auditor”. We want to put powers in the hands of the citizen to enable them easily to see where the taxes paid by companies are put.

The Minister spoke of the amendment being defective, but I do not believe that it is. It covers the same large-turnover companies that are covered by other Government reporting requirements. If it is defective, however, I again challenge him to bring back an improved version on Report. He has access to Government lawyers to do this. My right hon. Friend, though a very able woman, perhaps does not have at her fingertips the same expertise in legislative drafting. The power is in the hands of the Government on this issue.

I want to highlight another aspect of our work that I mentioned to the Minister. It is not UK parliamentarians alone who support this measure. In May, I went out to the OECD on behalf of the Public Accounts Committee to lobby and speak to parliamentarians of other nations around the world. We had a very useful and important discussion about the need for greater disclosure for the public benefit, with our citizens pushing our Governments to act decisively. As I said, I subsequently wrote an open letter that I sent to European partners, urging Governments to support the measure that is summarised in the amendment. The letter was signed by the chairs of parliamentary finance committees in Germany, Hungary, Finland, Norway and Slovakia, as well as senior MPs in the Netherlands, the Czech Republic and Bulgaria. Rather than detain the Committee, I draw Members' attention to the Public Accounts Committee website, which has full details of the letter and information about how we went about it.

My right hon. Friend's amendment is a really important first step. I appreciate that the Minister is willing to look at a multinational agreement. Unfortunately, however, much to my disappointment and the huge disappointment of my constituency and borough, which had the second-largest vote in the country to remain, we voted to leave the EU last Thursday, and Britain is going it alone, so why not do this now?

New clause 9, tabled by my right hon. Friend the Member for Barking (Dame Margaret Hodge), follows the same principle. It also follows a theme pursued by the Public Accounts Committee, when she chaired it and currently, on registering the extent of beneficial ownership in tax havens. I do not need to add a great deal to what she amply amplified. She and I, other hon. Members, and, I think, the Minister agree that transparency—sunlight—on activities affects behaviour. Public trust on tax is at an all-time low. We do not have a level playing field. As she says, the Government have the power to act on this very swiftly. The Prime Minister has supported it and the Minister has supported it, so why not act now?
Mr Gauke: I thank all right hon. and hon. Members for their contributions in this very good debate. Most of them focused on amendment 1 and new clause 9, as I will, but the hon. Member for West (Rob Marris) raised a number of points that I will quickly run through before turning to the main issues.

On new clause 4, which relates to the review of the GAAR, this is not a deadline issue. I was not making that point, as the hon. Gentleman rightly observed. I would argue that, as with the review of the GAAR, this is successful.

The principal purpose of the GAAR is to deter taxpayers from entering into abusive tax avoidance in the first place. As I have made clear throughout this process, the number of times that the GAAR has been invoked is not a reliable indicator of its success. I made that point when I brought in the legislation relating to the GAAR, and that remains the case.

On clause 153 and schedule 22 and asset-based penalties, the hon. Gentleman asked how we value the asset. The Valuation Office Agency, which is obviously experienced in that area, will value the asset for HMRC. The date of valuation will be the date of sale. For assets not disposed of, the value will be the market value on the last day of the tax year. That is the standard approach.

On the number of people affected by clause 147, the measures are aimed at a small but persistent minority of taxpayers who remain undeterred by the Government’s continued strategy to bear down on tax evasion and avoidance. We expect that the total number of taxpayers affected by the measures will be a small proportion of the total avoidance population; I do not wish to indicate anything other than that. This is a principled approach and it is right that that shrinking minority is properly dealt with.

The hon. Gentleman also raised a concern about a double penalty. I hope I can reassure him that the offset provision will apply to ensure that there will be no double penalty apart from the new GAAR penalty, whereby the combined total is capped, in most cases, at 100%.

We could have a longer debate, as we have done in the past, on the wider, familiar issue of HMRC resources. At the summer Budget, the Government provided HMRC with an extra £800 million to fund additional work to tackle evasion and non-compliance by 2020-21. That will enable HMRC to recover a cumulative £7.2 billion in tax over the next five years by tackling evasion and non-compliance. I also point out, as I tend to do in these circumstances, that HMRC’s yield is at record levels and that the tax gap is at record low levels. Although I do not think that the best measure is the number of staff working in a particular area, it is the case that the number in enforcement and compliance has consistently gone up. I accept that that is not the case across HMRC as a whole, although, as the hon. Gentleman has pointed out, the number is increasing at the moment, including in enforcement and compliance.

To return to the issue of penalties and whether they are sufficient, the GAAR penalty has been set at a rate high enough to act as a clear deterrent while being proportionate to the behaviour concerned. As I have said, under the existing penalty rules a penalty of 70% to 100% will usually be charged in cases of fraud, and it is appropriate for the GAAR penalty to be below that range.

Let me respond to the intervention by the right hon. Member for Barking (Dame Margaret Hodge) about whistleblowing. In October 2015 the Financial Conduct Authority published a package of rules designed to encourage a culture in banks whereby individuals feel able to raise concerns. Those rules require a senior manager to be appointed a whistleblowing champion, internal arrangements to handle all types of disclosure, and a requirement to inform the FCA if an employment tribunal with a whistleblower is lost.

Given that I have responded to one point raised by the right hon. Lady, I will now address some of her other points about new clause 9, which seeks to provide more information about the tax gap numbers. My argument is the practical point of whether it is likely that HMRC could estimate or measure the impact of such a specific measure on the tax gap, particularly given that the basis is hypothetical, since the register of persons with significant control is not yet operational. That is, therefore, a challenge, but I accept that the new clause also enables us to have a wider debate about the Crown dependencies and overseas territories. That is an important issue and I want to focus more on it.

We have made extraordinary progress in the past six years with regard to Crown dependencies and overseas territories and, indeed, more widely. When I first took over this role some six years ago, the big campaigning issue for many outside organisations was automatic exchange of information. My predecessor, the right hon. Member for East Ham (Stephen Timms), is held in very high regard by Members on both sides of the House. He was a dedicated Financial Secretary and the Minister who energetically pursued that agenda, but I can remember him saying in 2010, “That’s very much what we want to do, but we think it’s a long way away.”

The progress that has been made over the past six years, for various reasons, is considerable. The automatic exchange of information, which was once seen as a laudable objective but not something we were going to reach any time soon, has now been reached. It applies to Crown dependencies and overseas territories, which were all early signatories to the common reporting standard, and that is now coming into force. It is fair to say that the UK Government encouraged them to do that, and that is an example of how working in partnership with the Crown dependencies and overseas territories can result in quicker and more effective implementation, whereas imposing legislation reduces that co-operation and can result in slower and more ineffective implementation, whereas imposing legislation reduces that co-operation and can ultimately harm our ability to tackle and deter corruption, tax avoidance and tax evasion. The approach we have taken over the past six years has been successful in making substantial progress, which people of good will on all sides did not think would be possible. The common reporting standard is a good example of that.

Although I accept that Crown dependencies and overseas territories have not signed up to public registers of beneficial ownership, we have to put the issue in context. The UK is pretty much the only jurisdiction that has done that. Of course we should expect Crown dependencies and overseas territories to meet international standards. As a Government, we continue to press the case for ever higher international standards, but failing to have a public register of beneficial ownership is not a breach of international standards. We would like the international standards to be such, but they are not at present. We have to consider the issue in that context.
I do not want to rerun everything I said earlier about amendment 1. I believe that we all share the same objectives and that the question is about how we get to where we want to be. I want to make it absolutely clear that, although there are some technical concerns and flaws in the legislation, the fundamental point is that there is a limit to the extent that we can require a foreign multinational entity to disclose information on its global activities under UK law. That is why we believe that the best way forward is through international efforts on public country-by-country reporting. Even if those flaws can be addressed, we still face that problem.

Caroline Flint: In his earlier contribution, the Financial Secretary suggested that UK-headquartered companies would be disadvantaged, but my amendment is completely based on the information already required by HMRC, as laid down by this House with cross-party support. That includes multinational enterprises that are not necessarily UK headquartered but have a turnover of more than £600 million a year. Of course, the amendment does not catch everybody, but it is within the existing remit and range in the statute book. That is why I find it difficult to understand why there is a technical problem with my amendment. All we are saying is, “Make it public.”

Mr Gauke: The issue is that foreign multinational entities would not be caught by the amendment. That is the advice I have received. It means that the public will get information only on the taxes paid and profits made by a multinational entity headquartered in the United Kingdom and not on those paid and made by foreign multinational entities such as Google. That is the clear advice I have received on the right hon. Lady’s amendment.

I am not sure about the practicality of my right hon. Friend the Member for Don Valley (Caroline Flint) and I are quite happy to meet the Minister and Treasury officials to iron out any technical deficiencies there may be. I make that offer today so that we can do so before Report. Secondly, I urge the House to consider the pre-legislative process that we are now in. I hope that the process will conclude while our membership continues. I have a huge amount of sympathy with the right hon. Lady’s argument, as she knows. We have discussed this before. I am pleased that the United Kingdom is leading the way in making progress on this at a number of international forums. I urge the House to consider that we do not need to go it alone at this point. We can work with other countries, given the progress that is being made, quite often at the UK’s instigation.

Another important point was touched on by my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) as well as the right hon. Lady, namely developing countries. I have a lot of sympathy with that point. It is worth noting that 39 countries, including the United Kingdom and developing countries such as Nigeria and Senegal, have signed the OECD mechanism for country-by-country reporting. That means that the information produced by companies and provided to tax authorities—not published, but already produced and provided to authorities—is shared with every one of the 39 signatories. I want to encourage other developing countries to sign that agreement, so that they have access to the information. The right hon. Lady made the point earlier that the EU proposals could go further on ensuring more information. I agree. That is the UK position and we have been arguing that case at EU level.

I never want to miss the opportunity to highlight what we do as a country to help developing countries’ tax authorities build up their tax capacity. That work does not get the coverage it deserves. The previous Labour Government also did such work, but we have built on that. The Department for International Development and HMRC do considerable work on helping developing countries ensure that they have the information they need and the capacity to do something with it.

Rob Marris: May I make this offer on amendment 1? My right hon. Friend the Member for Don Valley (Caroline Flint) and I are quite happy to meet the Minister and Treasury officials to iron out any technical deficiencies there may be. I make that offer today so that we can do so before Report. Secondly, I urge the Minister to think a little more broadly, in terms of the world that we live in now after the Brexit vote. If the United Kingdom, having left the European Union, chose to make it a condition of trading in the UK for multinational enterprises not headquartered here that they disclose that information, we could do so.

Mr Gauke: I am not sure about the practicality of that. I will also make the point that we remain members of the European Union. There does not seem to be any likelihood of our leaving the EU within two years. Given the progress currently being made on public country-by-country reporting, I hope that the process will conclude while our membership continues.

As I have said, there are some technical issues that could be ironed out in amendment 1, but the fundamental issue of not being able to access information from foreign multinational entities that are not headquartered in the UK would remain a problem. Even with the best will in the world—and the best lawyers and parliamentary counsel—we will not be able to solve that problem.
Rob Marris: Will the Minister meet us?

Mr Gauke: I am always happy to discuss this issue with the hon. Gentleman, but that underlying problem still exists.

In the light of all that, I will say that, yes, we want to make progress on public country-by-country reporting, but that needs to be on a multilateral basis. Amendment 1, despite some considerable ingenuity to get it in order to be debated today, does not do what is needed. I therefore urge hon. Members not to support it, in the knowledge that this Government want to make progress on this matter and expect to make considerable progress over the next few months.

Amendment 114 agreed to.

Clause 144, as amended, ordered to stand part of the Bill.

Clause 145

GENERAL ANTI-ABUSE RULE: BINDING OF TAX ARRANGEMENTS TO LEAD ARRANGEMENTS

Amendments made: 115, page 198, line 8, leave out “Condition 1 or 2” and insert—
“the condition in sub-paragraph (2)”.

Amendment 116, page 198, line 9, leave out “Condition 1” and insert “The condition”.

Amendment 117, page 198, line 10, at end insert—
“but no notice under paragraph 12 of Schedule 43 or paragraph 9 of Schedule 43B has yet been given in respect of the matter.”

Amendment 118, page 198, leave out lines 11 and 12.

Amendment 119, page 198, line 20, leave out from first “notice” to end of line 21 and insert—
“(a "pooling notice") which places R’s arrangements in a pool with the lead arrangements.”

Amendment 120, page 198, line 21, at end insert—
“( ) There is one pool for any lead arrangements, so all tax arrangements placed in a pool with the lead arrangements (as well as the lead arrangements themselves) are in one and the same pool.

( ) Tax arrangements which have been placed in a pool do not cease to be in the pool except where that is expressly provided for by this Schedule (regardless of whether or not the lead arrangements or any other tax arrangements remain in the pool).”

Amendment 121, page 198, line 22, leave out “notice of binding” and insert “pooling notice”.

Amendment 122, page 198, line 23, leave out “(which has not been withdrawn)”.

Amendment 123, page 198, line 25, leave out from “43” to end of line 26.

Amendment 124, page 198, line 26, at end insert—
“Notice of proposal to bind arrangements to counteracted arrangements

1A (1) This paragraph applies where a counteraction notice has been given to a person in relation to any tax arrangements (the “counteracted arrangements”) which are in a pool created under paragraph 1.

(2) If a designated HMRC officer considers—
(a) that a tax advantage has arisen to another person (“R”) from tax arrangements that are abusive,
(b) that those tax arrangements (“R’s arrangements”) are equivalent to the counteracted arrangements, and
(c) that the advantage ought to be counteracted under section 209,

the officer may give R a notice (a “notice of binding”) in relation to R’s arrangements.

(3) The officer may not give R a notice of binding if R has been given in respect of R’s arrangements a notice under—
(a) paragraph 1, or
(b) paragraph 3 of Schedule 43.

(4) In this paragraph “counteraction notice” means a notice such as is mentioned in sub-paragraph (2) of paragraph 12 of Schedule 43 or sub-paragraph (3) of paragraph 9 of Schedule 43B (notice of final decision to counteract).

1B.

Amendment 125, page 198, line 27, after “a” insert “pooling notice or”.

Amendment 126, page 198, line 30, after “A” insert “pooling notice or”.

Amendment 127, page 198, line 34, after “arrangements” insert “or the counteracted arrangements (as the case may be)”. Amendment 128, page 199, line 1, after “A” insert “pooling notice or”.

Amendment 129, page 199, leave out lines 4 to 10.

Amendment 130, page 199, line 12, after “a” insert “pooling notice or”.

Amendment 131, page 199, line 16, after “6” insert “and Schedule 43B (generic referral of tax arrangements)”. Amendment 132, page 199, line 17, leave out “of binding” and insert “in question (and accordingly the tax arrangements in question are no longer in the pool)”.

Amendment 133, page 199, line 23, leave out “notice under paragraph 1” and insert “pooling notice or notice of binding”.

Amendment 134, page 199, line 26, leave out “notice under paragraph 1” and insert—
“pooling notice or notice of binding”.

Amendment 135, page 199, line 34, at end insert—
“( ) Where a person takes the first step described in sub-paragraph (3)(b), HMRC may proceed as if the person had not taken the relevant corrective action if the person fails to enter into the written agreement.”

Amendment 136, page 200, line 6, at end insert—
“Corrective action by lead taxpayer

2A If the person mentioned in paragraph 1(1) takes the relevant corrective action (as defined in paragraph 4A of Schedule 43) before the end of the period of 75 days beginning with the day on which the notice mentioned in paragraph 1(1) was given to that person, the lead arrangements are treated as ceasing to be in the pool.”

Amendment 137, page 200, line 9, leave out “notice of binding” and insert “pooling notice”.

Amendment 138, page 200, line 10, leave out from first “arrangements” to “and” in line 11.

Amendment 139, page 200, line 13, leave out from “about” to “is” in line 14 and insert “another set of tax arrangements in the pool ("the referred arrangements")”.

Amendment 140, page 200, line 16, leave out “bound” and insert “pooled”.

Amendment 141, page 200, line 17, at end insert—
“( ) No more than one pooled arrangements opinion notice may be given to a person in respect of the same tax arrangements.”

Amendment 142, page 200, line 19, leave out “by virtue of Condition 2 in paragraph 1”.

Amendment 143, page 200, line 21, leave out “notice of binding” and insert “pooling notice”.

Amendment 144, page 200, line 22, leave out “bound” and insert “pooled”.

Amendment 145, page 200, line 25, leave out “lead” and insert “referred”.

Amendment 146, page 200, line 29, at end insert—

“( ) In relation to a person who is given a notice of binding “bound arrangements opinion notice” means a written notice which—

(a) sets out a report prepared by HMRC of any opinion of the GAAR Advisory Panel about the counteracted arrangements (see paragraph 1A(1)),
(b) explains the person’s right to make representations falling within sub-paragraph (2), and
(c) sets out the period in which those representations may be made.”

Amendment 147, page 200, line 30, after “given” and insert “a pooled arrangements opinion notice or”.

Amendment 148, page 200, leave out lines 35 to 38.

Amendment 149, page 200, line 40, leave out “the lead arrangements” and insert “(i) the referred arrangements (in the case of a pooled arrangements opinion notice), or
(ii) the counteracted arrangements (in the case of a bound arrangements opinion notice).”

Amendment 150, page 201, line 3, leave out from beginning to “paragraph” in line 4 and insert “any tax arrangements have been placed in a pool by a notice given to a person under”.

Amendment 151, page 201, line 7, leave out “the lead arrangements” and insert “any other arrangements in the pool (the “referred arrangements”)”.

Amendment 152, page 201, line 10, leave out “lead” and insert “referred”.

Amendment 153, page 201, line 17, leave out “by virtue of Condition 2 in paragraph 1” and insert “under paragraph 1A”.

Amendment 154, page 201, line 22, leave out “lead” and insert “counteracted”.

Amendment 155, page 202, line 25, leave out from “applies” to end of line 38 and insert “if—

(a) pooling notices given under paragraph 1 of Schedule 43A have placed one or more sets of tax arrangements in a pool with the lead arrangements, (b) the lead arrangements (see paragraph 1(1) of Schedule 43A) have ceased to be in the pool, and (c) no referral under paragraph 5 or 6 of Schedule 43 has been made in respect of any arrangements in the pool.

(2) A designated HMRC officer may determine that, in respect of each of the tax arrangements that are in the pool, there is to be given (to the person to whom the pooling notice in question was given) a written notice of a proposal to make a generic referral to the GAAR Advisory Panel in respect of the arrangements in the pool.

(3) Only one determination under sub-paragraph (2) may be made in relation to any one pool.

(3A) The persons to whom those notices are given are “the notified taxpayers”.

Amendment 156, page 203, leave out lines 1 to 4.

Amendment 157, page 203, line 6, leave out “representations, and” and insert “a proposal.”.

Amendment 158, page 203, leave out lines 7 to 16.

Amendment 159, page 203, line 18, leave out from “given” to end of line 20 and insert “to propose to HMRC that it—

(a) should give T a notice under paragraph 3 of Schedule 43 in respect of the arrangements to which the notice under paragraph 1 relates, and

(b) should not proceed with the proposal to make a generic referral to the GAAR Advisory Panel in respect of those arrangements.”

Amendment 160, page 203, leave out lines 21 to 25.

Amendment 161, page 203, line 26, leave out “representations are made in accordance with sub-paragraph (2)” and insert “a proposal is made in accordance with sub-paragraph (1)”.

Amendment 162, page 203, line 27, leave out “them” and insert “it”.

Amendment 163, page 203, line 28, leave out from beginning to end of line 22 on page 204.

Amendment 164, page 204, line 26, leave out “given a notice” and insert “made a proposal”.

Amendment 165, page 204, line 31, leave out “gives a notice” and insert “makes a proposal”.

Amendment 166, page 204, line 32, after “must” insert “after the end of that 30 day period.”.

Amendment 167, page 204, leave out lines 34 and 35 and insert “( ) give a notice under paragraph 3 of Schedule 43 in respect of one set of tax arrangements in the relevant pool, or”.

Amendment 168, page 204, leave out lines 37 and 38 and insert “tax arrangements in the relevant pool”.

Amendment 169, page 205, line 18, after “which” insert “the designated officer considers”.

Amendment 170, page 207, line 35, at end insert—

“( ) In section 210 (consequential relieving adjustments), in subsection (1)(b), after “Schedule 43,” insert “paragraph 5 or 6 of Schedule 43A or paragraph 9 of Schedule 43B,”.

Amendment 171, page 207, line 40, after “1” insert “or 1A”.

Amendment 172, page 207, line 41, leave out “lead” and insert “referred or (as the case may be) counteracted”.

Amendment 173, page 208, line 7, leave out “1(4)” and insert “1A(2)”.

Amendment 174, page 208, line 8, at end insert—

“pooling notice” has the meaning given by paragraph 1(4) of Schedule 43A.”.

Amendment 178, page 208, line 24, at end insert—

“(10A) Section 10 of the National Insurance Contributions Act 2014 (GAAR to apply to national insurance contributions) is amended in accordance with subsections (10B) to (10E).”.

(10B) In subsection (4), at the end insert—

paragraph 5 or 6 of Schedule 43A to that Act (pooling of tax arrangements: notice of final decision) or paragraph 9 of Schedule 43B to that Act (generic referral of arrangements: notice of final decision)”.

(10C) After subsection (6) insert—
“(6A) Where, by virtue of this section, a case falls within paragraph 4A of Schedule 43 to the Finance Act 2013 (referrals of single schemes: relevant corrective action) or paragraph 2 of Schedule 43A to that Act (pooled schemes: relevant corrective action)—

(a) the person (“P”) mentioned in sub-paragraph (1) of that paragraph takes the “relevant corrective action” for the purposes of that paragraph if (and only if)—

(i) in a case in which the tax advantage in question can be counteracted by making a payment to HMRC, P makes that payment and notifies HMRC that P has done so, or

(ii) in any case, P takes all necessary action to enter into an agreement in writing with HMRC for the purpose of relinquishing the tax advantage, and

(b) accordingly, sub-paragraphs (2) to (8) of that paragraph do not apply.”

(10D) In subsection (11)—

(a) for “and HMRC” substitute “, “HMRC” and “tax advantage””;

(b) after “2013” insert “(as modified by this section)”.

(10E) After subsection (11) insert—

“(12) See section 10A for further modifications of Part 5 of the Finance Act 2013.”

(10F) After section 10 of the National Insurance Contributions Act 2014 insert—

“10A Application of GAAR in relation to penalties

(1) For the purposes of this section a penalty under section 212A of the Finance Act 2013 is a “relevant NICs-related penalty” so far as the penalty relates to a tax advantage in respect of relevant contributions.

(2) A relevant NICs-related penalty may be recovered as if it were an amount of relevant contributions which is due and payable.

(3) Section 117A of the Social Security Administration Act 1992 or (as the case may be) section 111A of the Social Security Administration (Northern Ireland) Act 1992 (issues arising in proceedings: contributions etc) has effect in relation to proceedings before a court for recovery of a relevant NICs-related penalty as if the assessment of the penalty were a NICs decision as to whether the person is liable for the penalty.

(4) Accordingly, paragraph 5(4)(b) of Schedule 43C to the Finance Act 2013 (assessment of penalty to be enforced as if it were an assessment to tax) does not apply in relation to a relevant NICs-related penalty.

(5) In the application of Schedule 43C to the Finance Act 2013 in relation to a relevant NICs-related penalty, paragraph 9(5) has effect as if the reference to an appeal against an assessment to the tax concerned were to an appeal against a NICs decision.

(6) In paragraph 8 of that Schedule (aggregate penalties), references to a “relevant penalty provision” include—

(a) any provision mentioned in sub-paragraph (5) of that paragraph, as applied in relation to any class of national insurance contributions by regulations (whenever made);

(b) section 98A of the Taxes Management Act 1970, as applied in relation to any class of national insurance contributions by regulations (whenever made);

(c) any provision in regulations made by the Treasury under which a penalty can be imposed in respect of any class of national insurance contributions.

(7) The Treasury may by regulations—

(a) disapply, or modify the effect of, subsection (6)(a) or (b);

(b) modify paragraph 8 of Schedule 43C to the Finance Act 2013 as it has effect in relation to a relevant penalty provision by virtue of subsection (6)(b) or (c).

(8) Section 175(3) to (5) of SSCBA 1992 (various supplementary powers) applies to a power to make regulations conferred by subsection (7).

(9) Regulations under subsection (7) must be made by statutory instrument.

(10) A statutory instrument containing regulations under subsection (7) is subject to annulment in pursuance of a resolution of either House of Parliament.

(11) In this section “NICs decision” means a decision under section 8 of the Social Security Contributions (Transfer of Functions, etc) Act 1999 or Article 7 of the Social Security Contributions (Transfer of Functions, etc) (Northern Ireland) Order 1999 (SI 1999/671).

(12) In this section “relevant contributions” means the following contributions under Part 1 of SSCBA 1992 or Part 1 of SSCBN(I)A 1992—

(a) Class 1 contributions;

(b) Class 1A contributions;

(c) Class 1B contributions;

(d) Class 2 contributions which must be paid but in relation to which section 11A of the Act in question (application of certain provisions of the Income Tax Acts in relation to Class 2 contributions under section 11(2) of that Act) does not apply.”

Amendment 175, page 208, line 28, leave out from “notice” to “in” in line 30 and insert

“has been given under paragraph 5(2) or 6(2) of Schedule 43A to FA 2013 (notice of final decision after considering Panel’s opinion about referred or counteracted arrangements)”. Amendment 176, page 208, line 34, leave out from “Panel” to end of line 36 and insert

“about the other arrangements (see subsection (8)) was as set out in paragraph 11(3)(b) of Schedule 43 to FA 2013.”

Amendment 177, page 209, line 2, leave out from “(4)(d)” to end of line 6 and insert

“other arrangements” means—

(a) in relation to a notice under paragraph 5(2) of Schedule 43A to FA 2013, the referred arrangements (as defined in that paragraph);

(b) in relation to a notice under paragraph 6(2) of that Schedule, the counteracted arrangements (as defined in paragraph 1A of that Schedule).”

Amendment 179, page 209, line 6, at end insert—

“(13A) In section 220 of FA 2014 (content of notice given while a tax enquiry is in progress)—

(a) in subsection (4)(c), after “219(4)(c)” insert “, (d) or (e)”;

(b) in subsection (5)(c), after “219(4)(c)” insert “, (d) or (e)”;

(c) in subsection (7), for the words from “under” to the end substitute “under—

(a) paragraph 12 of Schedule 43 to FA 2013,

(b) paragraph 5 or 6 of Schedule 43A to that Act, or

(c) paragraph 9 of Schedule 43B to that Act, as the case may be.”

(13B) Section 287 of FA 2014 (Code of Practice on Taxation for Banks) is amended in accordance with subsections (13C) to (13E).

(13C) In subsection (4), after “(5)” insert “or (5A)”.

(13D) In subsection (5)(b), after “Schedule” insert “or paragraph 5 or 6 of Schedule 43A to that Act”.

(13E) After subsection (5) insert—
“(5A) This subsection applies to any conduct—

(a) in relation to which there has been given—

(i) an opinion notice under paragraph 7(4)(b) of Schedule 43B to FA 2013 (GAAR advisory panel: opinion that such conduct unreasonable) stating the joint opinion of all the members of a sub-panel arranged under that paragraph, or

(ii) one or more such notices stating the opinions of at least two members of such a sub-panel, and

(b) in relation to which there has been given a notice under paragraph 9 of that Schedule (HMRC final decision on tax advantage) stating that a tax advantage is to be counteracted.

(5B) For the purposes of subsection (5), any opinions of members of the GAAR advisory panel which must be considered before a notice is given under paragraph 5 or 6 of Schedule 43A to FA 2013 (opinions about the lead arrangements) are taken to relate to the conduct to which the notice relates.”

(13F) In Schedule 32 to FA 2014 (accelerated payments and partnerships), paragraph 3 is amended in accordance with subsections (13G) and (13H).

(13G) In sub-paragraph (5), after paragraph (c) insert—

(d) the relevant partner in question has been given a notice under paragraph 5(2) or 6(2) of Schedule 43A to FA 2013 (notice of final decision after considering Panel’s opinion about referred or counteracted arrangements) in respect of any tax advantage resulting from the asserted arrangement or part of it and the chosen arrangements (or is given such a notice at the same time as the partner payment notice in a case where the stated opinion of at least two of the members of the sub-panel of the GAAR Advisory Panel about the other arrangements (see sub-paragraph (7)) was as set out in paragraph 11(3)(b) of Schedule 43 to FA 2013;

(e) the relevant partner in question has been given a notice under paragraph 9(2) of Schedule 43B to FA 2013 (GAAR: generic referral of arrangements) in respect of any tax advantage resulting from the asserted arrangement or part of it and the chosen arrangements (or is given such a notice at the same time as the partner payment notice) in a case where the stated opinion of at least two of the members of the sub-panel of the GAAR Advisory Panel which considered the generic referral in respect of those arrangements was as set out in paragraph 7(4)(b) of that Schedule.”

(13H) After sub-paragraph (6) insert—

“(7) “Other arrangements” means—

(a) in relation to a notice under paragraph 5(2) of Schedule 43A to FA 2013, the referred arrangements (as defined in that paragraph);

(b) in relation to a notice under paragraph 6(2) of that Schedule, the counteracted arrangements (as defined in paragraph 1A of that Schedule).”

(13I) In Schedule 34 to FA 2014 (promoters of tax avoidance schemes: threshold conditions), in paragraph 7—

(a) in paragraph (a), at the end insert “(referrals of single schemes) or are in a pool in respect of which a referral has been made to that Panel under Schedule 43B to that Act (generic referrals).”;

(b) in paragraph (b)—

(i) for “in relation to the arrangements” substitute “in respect of the referral”;

(ii) after “11(3)(b)” insert “or (as the case may be) 7(4)(b)”; and

(c) in paragraph (c)(i) omit “paragraph 10 of.”—

(Mr Gauke.)

Clause 145, as amended, ordered to stand part of the Bill.

Clause 146

GENERAL ANTI-ABUSE RULE: PENALTY

Amendments made: 82, page 209, line 14, after “person” insert “("P")”.

Amendment 83, page 209, leave out lines 15 and 16.

Amendment 84, page 209, line 17, leave out “the person” and insert “("P")”.

Amendment 85, page 209, line 21, leave out “the” and insert “particular”.

Amendment 86, page 209, line 22, at end insert—

“(ba) a tax document has been given to HMRC on the basis that the tax advantage arises to P from those arrangements,

(bb) that document was given to HMRC—

(i) by P, or

(ii) by another person in circumstances where P knew, or ought to have known, that the other person gave the document on the basis mentioned in paragraph (ba), and”

Amendment 87, page 209, line 33, at end insert—

’( ) In this section the reference to giving a tax document to HMRC is to be interpreted in accordance with paragraph 11(g) and (h) of Schedule 43C.”

Amendment 88, page 210, line 16, at end insert—

’( ) For the purposes of this paragraph consequential adjustments under section 210 are regarded as part of the counteraction in question.

( ) If the counteraction affects the person’s liability to two or more taxes, the taxes concerned are to be considered together for the purpose of determining the value of the counteracted advantage.”

Amendment 89, page 214, line 33, after “tax” insert “(including any amount chargeable as if it were corporation tax or treated as corporation tax)”.

Amendment 90, page 214, line 34, at end insert “(and (v) diverted profits tax).”;

Amendment 91, page 215, line 34, after “given” insert “a pooling notice or”.

Amendment 92, page 215, line 34, leave out “paragraph 1 of”.

Amendment 93, page 215, line 41, at beginning insert “in the case of a pooling notice,”.

Amendment 94, page 215, line 47, leave out from beginning to “with” in line 48 and insert “in the case of a notice of binding,”.

Amendment 95, page 215, line 49, leave out “of binding”.

Amendment 96, page 216, line 6, leave out “binding” and insert “pooling or binding (as the case may be)”.

Amendment 97, page 216, line 43, at end insert—

(ja) an appeal under section 103 of FA 2016 (apprenticeship levy: appeal against an assessment), or”.

Amendment 98, page 216, line 45, leave out “(j)” and insert “(ja)”.

Amendment 99, page 217, line 23, at end insert—

’( ) Where the taxpayer takes the first step described in sub-paragraph (3)(b), HMRC may proceed as if the taxpayer had not taken the relevant corrective action if the taxpayer fails to enter into the written agreement.”— (Mr Gauke.)

Clause 146, as amended, ordered to stand part of the Bill.

Clause 147 ordered to stand part of the Bill.
Schedule 18

SERIAL TAX AVOIDANCE

Amendments made: 100, page 480, line 19, at end insert “; associated persons and partnerships”.

Amendment 101, page 480, line 32, at end insert—
( ) A warning notice given by virtue of paragraph 46C must also explain the effect of paragraph 46E (information in certain cases involving partnerships).

Amendment 102, page 484, line 10, after “decision)” insert—
“; paragraph 5 or 6 of Schedule 43A to that Act (pooled arrangements: notice of final decision) or paragraph 9 of Schedule 43B to that Act (generic referrals: notice of final decision)”.

Amendment 103, page 484, leave out lines 23 and 24 and insert—
“the necessary corrective action for the purposes of section 208 of FA 2014 has been taken”.

Amendment 104, page 484, line 28, at end insert—
“(1A) In sub-paragraph (1) the reference to giving a follower notice to P includes a reference to giving a partnership follower notice in respect of a partnership return in relation to which P is a relevant partner (as defined in paragraph 2(5) of Schedule 31 to FA 2014).”

Amendment 105, page 484, line 35, leave out from “advantage)” to end of line 36 and insert—
“has the same meaning as in Chapter 2 of Part 4 of FA 2014 (see section 208(3) of and paragraph 4(3) of Schedule 31 to that Act).”

Amendment 106, page 484, line 42, at end insert—
“(6) For the purposes of this paragraph a partnership follower notice is given “in respect of” the partnership return mentioned in paragraph (a) or (b) of paragraph 2(2) of Schedule 31 to FA 2014.”

Amendment 107, page 485, line 8, after “election)” insert—
“, or a partnership return is made,”

Amendment 108, page 490, line 22, at end insert—
“( ) If the person mentioned in sub-paragraph (1) is a person carrying on a trade or business in partnership, the information which may be published also includes—
(a) any trading name of the partnership, and
(b) information about other members of the partnership of the kind described in sub-paragraph (4)(a) or (b).”

Amendment 109, page 494, line 31, at end insert—
“( ) In this paragraph “relevant failure”, in relation to a relevant defeat, is to be interpreted in accordance with sub-paragraphs (2) to (7) of paragraph 43.”

Amendment 110, page 504, line 43, at end insert—
“Associated persons treated as incurring relevant defeats

46A (1) Sub-paragraph (2) applies if a person (“P”) incurs a relevant defeat in relation to any arrangements (otherwise than by virtue of this paragraph).

(2) Any person (“S”) who is associated with P at the relevant time is also treated for the purposes of paragraphs 2(2) to (7) of paragraph 43 to have incurred a relevant defeat in relation to those arrangements (but see sub-paragraph (3)).

For the meaning of “associated” see paragraph 46B.

(3) Sub-paragraph (2) does not apply if P and S are members of the same group of companies (as defined in paragraph 46(9)).

(4) In relation to a warning notice given to S by virtue of sub-paragraph (2), paragraph 2(4)(c) (certain information to be included in warning notice) is to be read as referring only to paragraphs 5, 17 and 18.

(5) A warning notice which is given to a person by virtue of sub-paragraph (2) is treated for the purposes of paragraphs 19(1) (duty to give relief restriction notice) and 30 (penalty) as not having been given to that person.

(6) In sub-paragraph (2) “the relevant time” means the time when P is given a warning notice in respect of the relevant defeat.

Meaning of “associated”

46B (1) For the purposes of paragraph 46A two persons are associated with one another if—
(a) one of them is a body corporate which is controlled by the other, or
(b) they are bodies corporate under common control.

(2) Two bodies corporate are under common control if both are controlled—
(a) by one person,
(b) by two or more, but fewer than six, individuals, or
(c) by any number of individuals carrying on business in partnership.

(3) For the purposes of this section a body corporate (“H”) is taken to control another body corporate (“B”) if—
(a) H is empowered by statute to control B’s activities, or
(b) H is B’s holding company within the meaning of section 1159 of and Schedule 6 to the Companies Act 2006.

(4) For the purposes of this section an individual or individuals are taken to control a body corporate (“B”) if the individual or individuals, were they a body corporate, would be B’s holding company within the meaning of those provisions.

Partners treated as incurring relevant defeats

46C (1) Where paragraph 46D applies in relation to a partnership return, each relevant partner is treated for the purposes of this Part of this Act as having incurred the relevant defeat mentioned in paragraph 46D(1)(b), (2) or (3)(b) (as the case may be).

(2) In this paragraph “relevant partner” means any person who was a partner in the partnership at any time during the relevant reporting period (but see sub-paragraph (3)).

(3) The “relevant partners” do not include—
(a) the person mentioned in sub-paragraph (1)(b), (2) or (3)(b) (as the case may be) of paragraph 46D, or
(b) any other person who would, apart from this paragraph, incur a relevant defeat in connection with the subject matter of the partnership return mentioned in sub-paragraph (1).

(4) In this paragraph the “relevant reporting period” means the period in which a partnership return mentioned in sub-paragraph (1), (2) or (3) of paragraph 46D was required.

Partnership returns to which this paragraph applies

46D (1) This paragraph applies in relation to a partnership return if—

(a) that return has been made on the basis that a tax advantage arises to a partner from any arrangements, and
(b) that person has incurred, in relation to that tax advantage and those arrangements, a relevant defeat by virtue of Condition A (final counteraction of tax advantage under general anti-abuse rule).

(2) Where a person has incurred a relevant defeat by virtue of sub-paragraph (1)(A) of paragraph 13 (Condition B: case involving partnership follower notice) this paragraph applies in relation to the partnership return mentioned in that sub-paragraph.

(3) This paragraph applies in relation to a partnership return if—

(a) that return has been made on the basis that a tax advantage arises to a partner from any arrangements, and
(b) that person has incurred, in relation to that tax
advantage and those arrangements, a relevant defeat
by virtue of Condition C (return, claim or election
made in reliance on DOTAS arrangements).

(4) The references in this paragraph to a relevant defeat do not
include a relevant defeat incurred by virtue of paragraph 46A(2).

Partnerships: information

46E (1) If paragraph 46D applies in relation to a partnership
return, the appropriate partner must give HMRC a written
notice (a “partnership information notice”) in respect of each
sub-period in the information period.

(2) The “information period” is the period of 5 years
beginning with the day after the day of the relevant defeat
mentioned in paragraph 46D.

(3) If, in the case of a partnership, a new information period
(relating to another partnership return) begins during an existing
information period, those periods are treated for the purposes of
this paragraph as a single period (which includes all times that
would otherwise fall within either period).

(4) An information period under this paragraph ends if the
partnership ceases.

(5) A partnership information notice must be given not later
than the 30th day after the end of the sub-period to which it
relates.

(6) A partnership information notice must state—

(a) whether or not any relevant partnership return which
was, or was required to be, delivered in the sub-period has been made on the basis that a relevant
tax advantage arises, and

(b) whether or not there has been a failure to deliver a
relevant partnership return in the sub-period.

(7) In this paragraph—

(a) “relevant partnership return” means a partnership
return in respect of the partnership’s trade, profession or business;

(b) “relevant tax advantage” means a tax advantage which
particular DOTAS arrangements enable, or might be
expected to enable, a person who is or has been a
partner in the partnership to obtain.

(8) If a partnership information notice states that a relevant
partnership return has been made on the basis mentioned in
sub-paragraph (6)(a) the notice must—

(a) explain (on the assumptions made for the purposes of
the return) how the DOTAS arrangements enable the
tax advantage concerned to be obtained, and

(b) describe any variation in the amounts required to be
stated in the return under section 12AB(1) of TMA
1970 which results from those arrangements.

(9) HMRC may require the appropriate partner to give
HMRC a notice (a “supplementary information notice”) setting
out further information in relation to a partnership information
notice.

In relation to a partnership information notice “further
information” means information which would have been
required to be set out in the notice by virtue of sub-
paragraph (6)(a) or (8) had there not been a failure to deliver a
relevant partnership return.

(10) A requirement under sub-paragraph (9) must be made by
a written notice and the notice must state the period within which
the notice must be complied with.

(11) If a person fails to comply with a requirement of (or
imposed under) this paragraph, HMRC may by written notice
extend the information period concerned to the end of the period
of 5 years beginning with—

(a) the day by which the partnership information notice or
supplementary information notice was required to be
given to HMRC or, as the case requires,

(b) the day on which the person gave the defective notice
to HMRC,
or, if earlier, the time when the information period would have
expired but for the extension.

(12) For the purposes of this paragraph—

(a) the first sub-period in an information period begins
with the first day of the information period and ends
with a day specified by HMRC.

(b) the remainder of the information period is divided into
further sub-periods each of which begins immediately after the end of the preceding sub-
period and is twelve months long or (if that would be
shorter) ends at the end of the information period.

(13) In this paragraph “the appropriate partner” means the
partner in the partnership who is for the time being nominated by
HMRC for the purposes of this paragraph.

Partnerships: special provision about taxpayer emendations

46F (1) Sub-paragraph (2) applies if a partnership return is
amended at any time under section 12ABA of TMA 1970
(amendment of partnership return by representative partner etc)
on a basis that—

(a) results in an increase or decrease in, or

(b) otherwise affects the calculation of,

any amount stated under subsection (1)(b) of section 12AB of
that Act (partnership statement) as a partner’s share of any
income, loss, consideration, tax or credit for any period.

(2) For the purposes of paragraph 14 (Condition C:
counteraction of DOTAS arrangements), the partner is treated
as having at that time amended—

(a) the partner’s return under section 8 or 8A of TMA
1970, or

(b) the partner’s company tax return,

so as to give effect to the amendments of the partnership
return.

(3) Sub-paragraph (4) applies if a partnership return is
amended at any time by HMRC as a result of a disclosure made
by the representative partner or that person’s successor on a basis
that—

(a) results in an increase or decrease in, or

(b) otherwise affects the calculation of,

any amount stated under subsection (1)(b) of section 12AB of
that Act (partnership statement) as the share of a particular partner (P) of
income, loss, consideration, tax or credit for any period.

(4) If the conditions in sub-paragraph (5) are met, P is treated
for the purposes of paragraph 14 as having at that time amended—

(a) P’s return under section 8 or 8A of TMA 1970, or

(b) P’s company tax return,

so as to give effect to the amendments of the partnership
return.

(5) The conditions are that the disclosure—

(a) is a full and explicit disclosure of an inaccuracy in the
partnership return, and

(b) was made at a time when neither the person making
the disclosure nor P had reason to believe that
HMRC was about to begin enquiries into the
partnership return.

Supplementary provision relating to partnerships

46G (1) In paragraphs 46C to 46F and this paragraph—

“partnership” is to be interpreted in accordance with
section 12AA of TMA 1970 (and includes a
limited liability partnership);

“the representative partner”, in relation to a
partnership return, means the person who was
required by a notice served under or for the
purposes of section 12AA(2) or (3) of TMA 1970
to deliver the return;

“successor”, in relation to a person who is the
representative partner in the case of a partnership
return, has the same meaning as in TMA 1970
(see section 118(1) of that Act).
(2) For the purposes of this Part of this Act a partnership is treated as the same partnership notwithstanding a change in membership if any person who was a member before the change remains a member after the change.

Amendment 112, page 507, leave out lines 15 to 20.
Amendment 111, page 507, line 38, at end insert—

"(a) it is made on the basis that an increase or reduction in one or more of the amounts mentioned in section 12AB(1) of TMA 1970 (amounts in the partnership statement in a partnership return) results from those arrangements,

(b) that increase or reduction results in that tax advantage for the person."—(Mr Gauke.)

Schedule 18, as amended, agreed to.

Clause 148

PROMOTERS OF TAX AVOIDANCE SCHEMES

Amendments made: 69, page 219, line 15, at end insert—

'(1A) An authorised officer must make the determination set out in subsection (1B) if the officer becomes aware at any time ("the relevant Part 2B time") that—

(a) a person meets a condition in subsection (6), (7) or (8), and

(b) at the relevant Part 2B time another person ("P"), who is carrying on a business as a promoter, meets that condition by virtue of Part 2B of Schedule 34A (meeting the section 237A conditions: bodies corporate and partnerships).

(1B) The authorised officer must determine whether or not—

(a) the meeting of the condition by the person as mentioned in subsection (1A)(a), and

(b) P’s meeting of the condition as mentioned in subsection (1A)(b),

should be regarded as significant in view of the purposes of this Part.”

Amendment 70, page 219, line 16, leave out “Subsection (1) does” and insert “Subsections (1) and (1A) do”.

Amendment 71, page 219, leave out lines 21 to 25.

Amendment 72, page 219, line 25, at end insert—

'(3A) Subsection (1A) does not apply if, at the relevant Part 2B time, an authorised officer is under a duty to make a determination under section 237(5) in relation to P.

(3B) But in a case where subsection (1) does not apply because of subsection (3), or subsection (1A) does not apply because of subsection (3A), subsection (5) of section 237 has effect as if—

(a) the references in paragraph (a) of that subsection to “subsection (1)”, and “subsection (1)(a)” included subsection (1) of this section, and

(b) in paragraph (b) of that subsection the reference to “subsection (1A)(a)” included a reference to subsection (1A)(a) of this section and the reference to subsection (1A)(b) included a reference to subsection (1A)(b) of this section.”

Amendment 73, page 219, line 28, at end insert—

'(1) If the authorised officer determines under subsection (1B) that—

(a) the meeting of the condition by the person as mentioned in subsection (1A)(a), and

(b) P’s meeting of the condition as mentioned in subsection (1A)(b),

should be regarded as significant in view of the purposes of this Part, the officer must give P a conduct notice, unless subsection (5) applies.”

Amendment 74, page 225, line 7, at end insert—

( ) Part 2A contains provision about when a relevant defeat is treated as occurring in relation to a person;

( ) Part 2B contains provision about when a person is treated as meeting a condition in subsection (6), (7) or (8) of section 237A;

Amendment 75, page 226, line 9, leave out from “person” to end of line 11 and insert

“is carrying on a business as a promoter and—the person is or has been a promoter in relation to the arrangements, or that would be the case if the condition in sub-paragraph (2) were met.”

(i) the person is or has been a promoter in relation to the arrangements, or

(ii) that would be the case if the condition in sub-paragraph (2) were met.”

Amendment 76, page 228, line 26, after first “to” insert

“; paragraph 5(2) or (6) of Schedule 43A to or paragraph 9(2) of Schedule 43B to”.

Amendment 77, page 230, line 9, at end insert—

PART 2A

RELEVANT DEFEATS: ASSOCIATED PERSONS

Attribution of relevant defeats

16A (1) Sub-paragraph (2) applies if—

(a) there is (or has been) a person ("Q"),

(b) arrangements ("the defeated arrangements") have been entered into,

(c) an event occurs such that either—

(i) there is a relevant defeat in relation to Q and the defeated arrangements, or

(ii) the condition in sub-paragraph (i) would be met if Q had not ceased to exist,

(d) at the time of that event a person ("P") is carrying on a business as a promoter (or is carrying on what would be such a business under the condition in paragraph 3(2)), and

(c) Condition 1 or 2 is met in relation to Q and P.

(2) The event is treated for all purposes of this Part of this Act as a relevant defeat in relation to P and the defeated arrangements (whether or not it is also a relevant defeat in relation to Q, and regardless of whether or not P existed at any time when those arrangements were promoted arrangements in relation to Q).

(3) Condition 1 is that—

(a) P is not an individual,

(b) at a time when the defeated arrangements were promoted arrangements in relation to Q—

(i) P was a relevant body controlled by Q, or

(ii) Q was a relevant body controlled by P, and

(c) at the time of the event mentioned in sub-paragraph (1)(c)—

(i) Q is a relevant body controlled by P,

(ii) P is a relevant body controlled by Q, or

(iii) P and Q are relevant bodies controlled by a third person.

(4) Condition 2 is that—

(a) P and Q are relevant bodies,
(b) at a time when the defeated arrangements were promoted arrangements in relation to Q, a third person ("C") controlled Q, and
(c) C controls P at the time of the event mentioned in sub-paragraph (1)(c).

(5) For the purposes of sub-paragraphs (3)(b) and (4)(b), the question whether arrangements are promoted arrangements in relation to Q at any time is to be determined on the assumption that the reference to "design" in paragraph (b) of section 235(5) (definition of "promoter" in relation to relevant arrangements) is omitted.

Deemed defeat notices

16B (1) This paragraph applies if—

(a) an authorised officer becomes aware at any time ("the relevant time") that a relevant defeat has occurred in relation to a person ("P") who is carrying on a business as a promoter,
(b) there have occurred, more than 3 years before the relevant time—
(i) one third party defeat, or
(ii) two third party defeats, and
(c) conditions A1 and B1 (in a case within paragraph (b)(i)), or conditions A2 and B2 (in a case within paragraph (b)(ii)), are met.

(2) Where this paragraph applies by virtue of sub-paragraph (1)(b)(i), this Part of this Act has effect as if an authorised officer had (with due authority), at the time of the second of the two third party defeats, given P a single defeat notice under section 241A(2) in respect of it.

(3) Where this paragraph applies by virtue of sub-paragraph (1)(b)(ii), this Part of this Act has effect as if an authorised officer had (with due authority), at the time of the second of the two third party defeats, given P a double defeat notice under section 241A(3) in respect of the two third party defeats.

(4) Section 241A(8) has no effect in relation to a notice treated as given as mentioned in subsection (2) or (3).

(5) Condition A1 is that—

(a) a conduct notice or a single or double defeat notice has been given to the other person (see sub-paragraph (9)) in respect of the third party defeat,
(b) at the time of the third party defeat an authorised officer would have had power by virtue of paragraph 16A to give P a defeat notice in respect of the third party defeat, had the officer been aware that it was a relevant defeat in relation to P, and
(c) so far as the authorised officer mentioned in sub-paragraph (1)(a) is aware, the conditions for giving P a defeat notice in respect of the third party defeat have never been met (ignoring this paragraph).

(6) Condition A2 is that—

(a) a conduct notice or a single or double defeat notice has been given to the other person (see sub-paragraph (9)) in respect of each, or both, of the third party defeats,
(b) at the time of the second third party defeat an authorised officer would have had power by virtue of paragraph 16A to give P a double defeat notice in respect of the third party defeats, had the officer been aware that either of the third party defeats was a relevant defeat in relation to P, and
(c) so far as the authorised officer mentioned in sub-paragraph (1)(a) is aware, the conditions for giving P a defeat notice in respect of those third party defeats (or either of them) have never been met (ignoring this paragraph).

(7) Condition B1 is that, had an authorised officer given P a defeat notice in respect of the third party defeat at the time of that relevant defeat, that defeat notice would still have effect at the relevant time (see sub-paragraph (1)).

(8) Condition B2 is that, had an authorised officer given P a defeat notice in respect of the two third party defeats at the time of the second of those relevant defeats, that defeat notice would still have effect at the relevant time.

(9) In this paragraph "third party defeat" means a relevant defeat which has occurred in relation to a person other than P.

Meaning of "relevant body" and "control"

16C (1) In this Part of this Schedule "relevant body" means—

(a) a body corporate, or
(b) a partnership.

(2) For the purposes of this Part of this Schedule a person controls a body corporate if the person has power to secure that the affairs of the body corporate are conducted in accordance with the person's wishes—

(a) by means of the holding of shares or the possession of voting power in relation to the body corporate or any other relevant body,
(b) as a result of any powers conferred by the articles of association or other document regulating the body corporate or any other relevant body, or
(c) by means of controlling a partnership.

(3) For the purposes of this Part of this Schedule a person controls a partnership if the person is a controlling member or the managing partner of the partnership.

(4) In this paragraph "controlling member" has the same meaning as in Schedule 36 (partnerships).

(5) In this section "managing partner", in relation to a partnership, means the member of the partnership who directs, or is on a day-to-day level in control of, the management of the business of the partnership.

PART 2B

MEETING SECTION 237A CONDITIONS: BODIES CORPORATE AND PARTNERSHIPS

Treating persons under another's control as meeting section 237A condition

16D (1) A relevant body ("RB") is treated as meeting a section 237A condition at the relevant Part 2B time if—

(a) that condition was met by a person ("C") at a time when—
(i) C was carrying on a business as a promoter, or
(ii) RB was carrying on a business as a promoter and C controlled RB, and
(b) RB is controlled by C at the relevant Part 2B time.

(2) Sub-paragraph (1) does not apply if C is an individual.

(3) For the purposes of determining whether the requirements of sub-paragraph (1) are met by reason of meeting the requirement in sub-paragraph (1)(a)(i), it does not matter whether RB existed at the time when C met the section 237A condition.

Treating persons in control of others as meeting section 237A condition

16E (1) A person other than an individual is treated as meeting a section 237A condition at the relevant Part 2B time if—

(a) a relevant body ("A") met the condition at a time when A was controlled by the person, and
(b) at the time mentioned in paragraph (a) A, or another relevant body ("B") which was also at that time controlled by the person, carried on a business as a promoter.

(2) For the purposes of determining whether the requirements of sub-paragraph (1) are met it does not matter whether A or B (or neither) exists at the relevant Part 2B time.

Treating persons controlled by the same person as meeting section 237A condition

16F (1) A relevant body ("RB") is treated as meeting a section 237A condition at the relevant Part 2B time if—
(a) another relevant body met that condition at a time ("time T") when it was controlled by a person ("C"),
(b) at time T, there was a relevant body controlled by C which carried on a business as a promoter, and
(c) RB is controlled by C at the relevant Part 2B time.

(2) For the purposes of determining whether the requirements of sub-paragraph (1) are met it does not matter whether—

(a) RB existed at time T, or
(b) any relevant body (other than RB) by reason of which the requirements of sub-paragraph (1) are met exists at the relevant Part 2B time.

Interpretation

16G (1) In this Part of this Schedule—

"control" has the same meaning as in Part 2A of this Schedule;
"relevant body" has the same meaning as in Part 2A of this Schedule;
"relevant Part 2B time" means the time referred to in section 237A(1A);
"section 237A condition" means any of the conditions in section 237A(6), (7) and (8).

(2) For the purposes of paragraphs 16D(1)(a), 16E(1)(a) and 16F(1)(a), the condition in section 237A(6) (occurrence of 3 relevant defeats in the 3 years ending with the relevant time) is taken to have been met by a person at any time if at least 3 relevant defeats have occurred in relation to the person in the period of 3 years ending with that time.”

Amendment 78, page 234, line 27, at end insert—

‘(9A) Schedule 36 (promoters of tax avoidance schemes: partnerships) is amended in accordance with subsections (9B) to (9G).

(9B) In Part 2, before paragraph 5 insert—

“Defeat notices

4A A defeat notice that is given to a partnership must state that it is a partnership defeat notice.”.

(9C) In paragraph 7(1)(b) after “a” insert “defeat notice,”.

(9D) In paragraph 7(2) after “the” insert “defeat notice,”.

(9E) After paragraph 7 insert—

“Persons leaving partnership: defeat notices

7A (1) Sub-paragraphs (2) and (3) apply where—

(a) a person ("P") who was a controlling member of a partnership at the time when a defeat notice ("the original notice") was given to the partnership has ceased to be a member of the partnership,
(b) the defeat notice had effect in relation to the partnership at the time of that cessation, and
(c) P is carrying on a business as a promoter.

(2) An authorised officer may give P a defeat notice.

(3) If P is carrying on a business as a promoter in partnership with one or more other persons and is a controlling member of that partnership ("the new partnership"), an authorised officer may give a defeat notice to the new partnership.

(4) A defeat notice given under sub-paragraph (3) ceases to have effect if P ceases to be a member of the new partnership.

(5) A notice under sub-paragraph (2) or (3) may not be given after the original notice has ceased to have effect.

(6) A defeat notice given under sub-paragraph (2) or (3) is given in respect of the relevant defeat or relevant defeats to which the original notice relates.”

(9F) In paragraph 10—

(a) in sub-paragraph (1)(b) for “conduct notice or a” substitute "defeat notice, conduct notice or";
(b) in sub-paragraph (3), after “partner—” insert—

“(za) a defeat notice (if the original notice is a defeat notice);”
(c) in sub-paragraph (4), after "("the new partnership")"—” insert—

“(za) a defeat notice (if the original notice is a defeat notice);”

(d) after sub-paragraph (5) insert—

“(5A) A notice under sub-paragraph (3)(za) or (4)(za) may not be given after the end of the look-forward period of the original notice.”

(9G) After paragraph 11 insert—

11A The look-forward period for a notice under paragraph 7A(2) or (3) or 10(3)(za) or (4)(za)—

(a) begins on the day after the day on which the notice is given, and
(b) continues to the end of the look-forward period for the original notice (as defined in paragraph 7A(1)(a) or 10(2), as the case may be).

Amendment 79, page 234, line 27, at end insert—

‘(9A) Part 2 of Schedule 2 to the National Insurance Contributions Act 2015 (application of Part 5 of FA 2014 to national insurance contributions) is amended in accordance with subsections (9B) and (9C).

(9B) After paragraph 30 insert—

"Threshold conditions

30A (1) In paragraph 5 of Schedule 34 (non-compliance with Part 7 of FA 2004), in sub-paragraph (4)—

(a) paragraph (a) includes a reference to a decision having been made for corresponding NICs purposes that P is to be deemed not to have failed to comply with the provision concerned as P had a reasonable excuse for not doing the thing required to be done, and
(b) the reference in paragraph (c) to a determination is to be read accordingly.

(2) In this paragraph “corresponding NICs purposes” means the purposes of any provision of regulations under section 132A of SSAA 1992.

Relevant defeats

30B (1) Schedule 34A (promoters of tax avoidance schemes: defeated arrangements) has effect with the following modifications.

(2) References to an assessment (or an assessment to tax) include a NICs decision relating to a person’s liability for relevant contributions.

(3) References to adjustments include a payment in respect of a liability to pay relevant contributions (and the definition of “adjustments” in paragraph 17 accordingly has effect as if such payments were included in it).

(4) In paragraph 9(3) the reference to an enquiry into a return includes a relevant contributions dispute (as defined in paragraph 6 of this Schedule).

(5) In paragraph 21(3)—

(a) paragraph (a) includes a reference to a decision having been made for corresponding NICs purposes that the person is to be deemed not to have failed to comply with the provision concerned as the person had a reasonable excuse for not doing the thing required to be done, and
(b) the reference in paragraph (c) to a determination is to be read accordingly.

“Corresponding NICs purposes” means the purposes of any provision of regulations under section 132A of SSAA 1992.”

(9C) In paragraph 31 (interpretation)—

(a) before paragraph (a) insert—

"(za) "NICs decision" means a decision under section 8 of SSC(TF)A 1999 or Article 7 of the Social Security Contributions (Transfer of Functions, etc) (Northern Ireland) Order 1999 (SI 1999/671);”
(b) in paragraph (b), for “are to sections of” substitute “or Schedules are to sections of, or Schedules to”.”

Amendment 80, page 234, line 39, after “person” insert “or an associated person”.

"FINANCE BILL"
Amendment 81, page 235, line 2, at end insert—

(12A) For the purposes of subsection (11) a person ("Q") is an "associated person" in relation to another person ("P") at any time when any of the following conditions is met—

(a) P is a relevant body which is controlled by Q;
(b) Q is a relevant body, P is not an individual and Q is controlled by P;
(c) P and Q are relevant bodies and a third person controls P and Q.

(12B) In subsection (12A) "relevant body" and "control" are to be interpreted in accordance with paragraph 16C of Schedule 34A to FA 2014.—(Mr Gauke.)

Clause 148, as amended, ordered to stand part of the Bill.

Clause 149 ordered to stand part of the Bill.

Schedule 19

LARGE BUSINESSES: TAX STRATEGIES AND SANCTIONS

Amendment proposed: 1, page 516, line 21, at end insert—

(2A) A group tax strategy of a qualifying group which is a MNE group must also include a country-by-country report.

(2B) In paragraph (2A) "country-by-country report" has the meaning given by the Taxes (Base Erosion and Profit Shifting) Regulations 2016.

Question put, That the amendment be made.

The Committee divided: Ayes 273, Noes 295.

Division No. 25] [2.39 pm

AYES

Abbott, Ms Diane    Abbott, Ms Diane
Abrahams, Debbie    Abrahams, Debbie
Ahmed-Sheikh, Ms Tasmina    Ahmed-Sheikh, Ms Tasmina
Alexander, Heidi    Alexander, Heidi
Ali, Rushanara    Ali, Rushanara
Allen, Mr Graham    Allen, Mr Graham
Allin-Khan, Dr Rosena    Allin-Khan, Dr Rosena
Anderson, Mr David    Anderson, Mr David
Arkless, Richard    Arkless, Richard
Ashworth, Jonathan    Ashworth, Jonathan
Austin, Ian    Austin, Ian
Bailey, Mr Adrian    Bailey, Mr Adrian
Bardell, Hannah    Bardell, Hannah
Barron, rh Kevin    Barron, rh Kevin
Beckett, rh Margaret    Beckett, rh Margaret
Benn, rh Hilary    Benn, rh Hilary
Berger, Luciana    Berger, Luciana
Betts, Mr Clive    Betts, Mr Clive
Black, Mhairi    Black, Mhairi
Blackford, Ian    Blackford, Ian
Blackman, Kirsty    Blackman, Kirsty
Blackman-Woods, Dr Roberta    Blackman-Woods, Dr Roberta
Blankensop, Tom    Blankensop, Tom
Blomfield, Paul    Blomfield, Paul
Boswell, Philip    Boswell, Philip
Bradshaw, rh Mr Ben    Bradshaw, rh Mr Ben
Brake, rh Tom    Brake, rh Tom
Brennan, Kevin    Brennan, Kevin
Brock, Deidre    Brock, Deidre
Brown, Alan    Brown, Alan
Brown, Lyn    Brown, Lyn
Brown, rh Mr Nicholas    Brown, rh Mr Nicholas
Bryant, Chris    Bryant, Chris
Buck, Ms Karen    Buck, Ms Karen
Burden, Richard    Burden, Richard
Docherty-Hughes, Martin    Docherty-Hughes, Martin
Donaldson, Stuart Blair    Donaldson, Stuart Blair
Doughty, Stephen    Doughty, Stephen
Dowd, Jim    Dowd, Jim
Dowd, Peter    Dowd, Peter
Durkan, Mark    Durkan, Mark
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Edwards, Jonathan    Edwards, Jonathan
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Ellman, Mrs Louise    Ellman, Mrs Louise
Elmore, Chris    Elmore, Chris
Esterson, Bill    Esterson, Bill
Evans, Chris    Evans, Chris
Fellows, Marion    Fellows, Marion
Ferrier, Margaret    Ferrier, Margaret
Field, rh Frank    Field, rh Frank
Fitzpatrick, Jim    Fitzpatrick, Jim
Fielo, Robert    Fielo, Robert
Flint, rh Caroline    Flint, rh Caroline
Flynn, Paul    Flynn, Paul
Fovargue, Yvonne    Fovargue, Yvonne
Gapes, Mike    Gapes, Mike
Gardiner, Barry    Gardiner, Barry
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Gibson, Patricia    Gibson, Patricia
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Haigh, Louise    Haigh, Louise
Hamilton, Fabian    Hamilton, Fabian
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Harman, rh Ms Harriet    Harman, rh Ms Harriet
Harris, Carolyn    Harris, Carolyn
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Kerevan, George    Kerevan, George
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Kinahan, Danny    Kinahan, Danny
Kinnock, Stephen    Kinnock, Stephen
Kyle, Peter    Kyle, Peter
Lamb, rh Norman    Lamb, rh Norman
Lammy, rh Mr David    Lammy, rh Mr David
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Law, Chris    Law, Chris
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Lewis, Clive    Lewis, Clive
Lewis, Mr Ivan    Lewis, Mr Ivan
Long Bailey, Rebecca    Long Bailey, Rebecca
Lucas, Caroline    Lucas, Caroline
Lynch, Holly    Lynch, Holly
MacNeil, Mr Angus Brendan    MacNeil, Mr Angus Brendan
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Perkins, Toby    Perkins, Toby
Phillips, Jess    Phillips, Jess
Pound, Stephen    Pound, Stephen
Powell, Lucy    Powell, Lucy
Pugh, John    Pugh, John
### Tellers for the Ayes:

**Vicky Foxcroft and Jeff Smith**

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<th>28 June 2016</th>
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people with significant control to companies incorporated in the UK-incorporated companies by the Register of People with Significant Control Regulations 2016 to publish a register of information about people who have significant control over the disposal of the business to be concluded at that time. This new clause would require the Chancellor to publish an estimate of the impact on significant levels of trading activity within the UK."

Margaret Hodge.)

This new clause would require the Chancellor to publish an estimate of the impact on levels of tax avoidance and tax evasion of extending the current requirement on UK-based companies to publish information about people who have significant control over them to companies incorporated in the Crown Dependencies and the Overseas Territories which have significant levels of trading activity within the UK.

Brought up.

The Committee divided:

Ayes 268, Noes 305.

Division No. 26]

[2.54 pm

AYES

Coyle, Neil
Crawley, Angela
Creagh, Mary
Creasy, Stella
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunliffe, Mr Jim
Dakin, Nic
Danczuk, Simon
David, Wayne
Davies, Geraint
Day, Martyn
De Piero, Gloria
Docherty-Hughes, Martin
Dodds, rh Mr Nigel
Donaldson, rh Sir Jeffrey M.
Donaldson, Stuart Blair
Doughty, Stephen
Dowd, Jim
Dowd, Peter
Durkan, Mark
Eagle, Ms Angela
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Fallows, Marion
Ferrier, Margaret
Fitzpatrick, Jim
Fièllo, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Gapes, Mike
Gardiner, Barry
Gethins, Stephen
Gibson, Patricia
Glass, Pat
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Haigh, Louise

Tellers for the Noes:
Sarah Newton and Simon Kirby

Question accordingly negatived.

2.54 pm

More than two hours having elapsed since the commencement of proceedings, the proceedings were interrupted (Programme Order, 11 April).

The Chair put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).

Schedule 19 ordered to stand part of the Bill.
Clause 150 ordered to stand part of the Bill.
Schedule 20 ordered to stand part of the Bill.
Clause 151 ordered to stand part of the Bill.
Schedule 21 ordered to stand part of the Bill.
Clauses 152 and 153 ordered to stand part of the Bill.
Schedule 22 ordered to stand part of the Bill.

New Clause 9

ESTIMATED IMPACT OF EXTENDING THE SCOPE OF THE REGISTER OF PEOPLE WITH SIGNIFICANT CONTROL REGULATIONS 2016

The Chancellor of the Exchequer must, within 12 months of this Act coming into force, publish an estimate of the impact on levels of tax avoidance and tax evasion of extending the requirement placed on UK-incorporated companies by the Register of People with Significant Control Regulations 2016 to publish a register of people with significant control to companies incorporated in the Crown Dependencies and the Overseas Territories which have significant levels of trading activity within the UK.
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<td>Wright, Mr Iain</td>
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<td>Zeichner, Daniel</td>
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**Tellers for the Ayes:**

Vicky Foxcroft and Jeff Smith

**NOES**

Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Dr James
Davies, Mims
Davies, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Donelan, Michelle
Dorries, Nadine
Double, Steve
Downen, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Elliot, Tom
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evennett, rh Mr Rh David
Fallon, rh Michael
Femandes, Suella
Field, rh Mark
Foster, Kevin
Fox, rh Dr Liam
Francis, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fuller, Richard
Fysh, Marcus
Garnier, rh Sir Edward
Garnier, Mark
Gauke, Mr David
Ghani, Nusrat
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gymiah, Mr Sam
Hall, Luke
Clause 41


the Bill.

Mr Gauke: The Bill introduces measures on small business investment that will simplify the tax system and ensure that allowances are fair and not open to abuse.

Clause 41 charges corporation tax for the financial year beginning 1 April 2017. Corporation tax is an annual tax approved by Parliament each year. This is an essential provision that enables us to collect tax. The key reform announced in the Budget to support business investment and back Britain’s economy is set out in clause 42, which cuts the rate of corporation tax to 17% with effect from 1 April 2020. I expect that our debate will focus on this provision, so I will start here, before commenting more briefly on the other clauses.

I will begin by setting out our broader strategy on corporation tax. The Government have been clear that taxes should be low but must be paid, and since 2010 we have made progress towards those goals. The main rate of corporation tax was 28% in 2010. By 2020, we will have cut the UK main rate by more than a third to make the UK more competitive and to support growth and investment. It will be one of the biggest boosts British business has ever seen. Further corporation tax cuts will increase the returns companies receive on their investments, and by 2020 corporation tax cuts delivered since 2010 will be saving businesses almost £15 billion a year. This will ensure that the UK has by far the lowest rate of corporation tax in the G20 and make Britain even more attractive to inward investors.

Question accordingly negated.

Charge for financial year 2017

Question proposed, That the clause stand part of the Bill.

The Temporary Chair (Sir Roger Gale): With this it will be convenient to take the following:

Clauses 42 to 44 stand part.

Clauses 65 to 71 stand part.

Mr Gauke: The Bill introduces measures on small business investment that will simplify the tax system and ensure that allowances are fair and not open to abuse.

Clause 41 charges corporation tax for the financial year beginning 1 April 2017. Corporation tax is an annual tax approved by Parliament each year. This is an essential provision that enables us to collect tax. The key reform announced in the Budget to support business investment and back Britain’s economy is set out in clause 42, which cuts the rate of corporation tax to 17% with effect from 1 April 2020. I expect that our debate will focus on this provision, so I will start here, before commenting more briefly on the other clauses.

I will begin by setting out our broader strategy on corporation tax. The Government have been clear that taxes should be low but must be paid, and since 2010 we have made progress towards those goals. The main rate of corporation tax was 28% in 2010. By 2020, we will have cut the UK main rate by more than a third to make the UK more competitive and to support growth and investment. It will be one of the biggest boosts British business has ever seen. Further corporation tax cuts will increase the returns companies receive on their investments, and by 2020 corporation tax cuts delivered since 2010 will be saving businesses almost £15 billion a year. This will ensure that the UK has by far the lowest rate of corporation tax in the G20 and make Britain even more attractive to inward investors.

Question accordingly negated.
At the same time, we have taken significant measures to clamp down on tax avoidance and aggressive tax planning. The Government successfully helped initiate the G20-OECD base erosion and profits shifting project and worked internationally, including with G20 and OECD partners, to bring this to a successful conclusion in October 2015. We spent the earlier part of today's debate considering some of the measures introduced in the Bill to address avoidance and evasion, but the Bill also takes further steps elsewhere. Key measures include tackling hybrid mismatch arrangements, introducing a restriction on the tax deductibility of corporate interest and expense, extending the UK's withholding tax rights over royalties and ensuring non-resident property developers pay tax in the UK on profits they make in this country.

Low corporation rates enable businesses to increase investment, take on new staff, increase wages or reduce prices. This is borne out in receipts data: onshore corporation tax receipts have risen by almost 20% since 2010, despite lowering corporation tax rates. The Treasury and HMRC have modelled the economic impact of the corporation tax cuts delivered since 2010 and those announced at Budget 2016. This modelling suggests that the cuts could increase long-run GDP by more than 1%—almost £24 billion in today's prices. The corporation tax cuts and other reforms we introduced have completely changed perceptions of the UK tax regime. The UK is now regularly cited in surveys as one of the most competitive regimes in the world.

As the Chancellor has said, in the last six years, the Government and the British people have worked hard to rebuild the British economy. We have worked systematically through a plan that means that today Britain has the strongest major advanced economy in the world. Cutting corporation tax rates has been a central part of the Government's economic strategy, and that strategy is working.

The UK has been one of the fastest-growing economies in the G7, and the OECD forecasts the UK to be the fastest-growing G7 economy in 2016. There are 2.3 million more people in employment since 2010, and business investment is now 30% higher than it was in 2010. Tax competition is dynamic. In the last few decades, we have seen countries across the world cut their corporation tax rates. We cannot afford to stand still while others rush ahead. The UK needs to be as competitive as possible. A new 17% rate of corporation tax sends out the message loud and clear around the world that the British economy is fundamentally strong and highly competitive and that Britain is open for business. For those reasons, I urge the Committee to support the clauses, and to speak in anticipation of what we are about to hear, I hope the Committee will reject amendment 21, tabled by the hon. Member for Wolverhampton South West (Rob Marris), which would cancel the corporation tax cuts.

Let me move on to the other measures in this group. Clause 43 abolishes vaccine research relief from 1 April 2017. This relief is available only to large companies and is claimed fewer than 10 times a year, with a value below £5 million. The Government believe that direct spending programmes such as the recently announced £1 billion Ross fund offer a more effective and flexible approach to supporting the development of medicines and vaccines, and will have a far greater impact.

Clause 44 makes a small change to ensure that the introduction of the research and development expenditure credit does not have the unwanted effect of reducing the amount of relief available to certain small businesses. The expenditure credit replaced the old large company R and D tax credit scheme in 2016, following a period of three years in which both were available simultaneously. We recognise that R and D tax relief plays a vital role in supporting productive investment in the UK. These two changes will ensure that R and D tax support remains effective in meeting this objective.

Clause 65 extends the current time limit for claiming enhanced capital allowances in enterprise zones to eight years from the date on which the enterprise zones are announced. Businesses operating in the 46 enterprise zones across the UK can opt either for a rebate on business rates or enhanced capital allowance covering 100% of investment. Extending the time limit for claiming enhanced capital allowances to eight years will allow all zones to enjoy it for the same duration. I am sure that hon. Members of all parties will welcome this.

Clause 66 will strengthen the existing capital allowance anti-avoidance revisions to ensure that artificial and contrived arrangements cannot be used to gain excessive capital allowances. Capital allowances allow businesses to write off amounts that they spend on plant and machinery against their taxable profits. This reflects the depreciation in the value of the assets over time. When the business disposes of the asset, the legislation is designed to subtract this disposal value so that the allowances are reduced to reflect the net cost of the asset to the business. HMRC has received several disclosures of tax-avoidance schemes where the disposal value has been manipulated to an artificially low level. This leads to excessive capital allowances being received; the tax result does not reflect commercial reality and so constitutes an avoidance of tax. Clause 66 prevents this and ensures that business pays the correct amount of tax.

3.15 pm

Clause 67 will ensure that trading income received in non-monetary form is fully brought into account in calculating taxable profits, income tax and for corporation tax purposes. HMRC consider that existing law and practice already requires that trading and property income received in non-monetary form is brought into account in calculating taxable profits. This is an equitable position arising from a long-held principle established in case law. However, this legal principle has been challenged in some instances. Clause 67 will insert a rule to provide that the value of the money's worth is to be brought into account for the purposes of calculating the profits of the trade. This will have no effect on the vast majority of trades and will put beyond doubt that such income is taxable in full.

Clause 68 repeals the renewals allowance legislation. This allowance provided a tax relief for spending by a business on the replacement and alteration of trade tools. The relief is no longer available to businesses, and relief was repealed from the effective date on 1 April 2016 for companies and on 5 April 2016 for sole traders. The clause removes a relief that predates capital allowances. The number of traders using the relief was small, and there has been some evidence of abuse. Alternative means of tax relief for spending by businesses is available
through the capital allowances regime and there is new relief for residential landlords for costs incurred in replacing domestic items such as furniture and appliances.

Clauses 69 and 70 make changes to the wear-and-tear allowance that currently allows landlords fully furnishing properties to claim a 10% tax deduction of their net rental income when calculating the taxable profits each year. The allowance can be claimed regardless of the actual costs incurred on replacements and can be claimed even when a landlord has not actually made any replacements. The changes made by clauses 69 and 70 will replace this with a new allowance, permitting all landlords to deduct the actual costs they incur on replacing domestic items such as furniture and appliances. In conclusion, this change will create a fairer system for landlords and for tenants where the genuine costs of replacement can be reclaimed against income tax.

Clause 71 makes changes to incorporate the revisions to the OECD transfer pricing guidelines secured as part of the joint OECD/G20 base erosion and profit-shifting project into UK domestic law. The beneficial revisions to the OECD guidelines ensure that they are refocused on appropriately rewarding real economic activity within a multinational enterprise. This is in line with the key principle that profits should be recognised where economic activity takes place. In addition, the revisions provide tax authorities with a new tool better to investigate the pricing of unique intangibles where there is no independent information with which to ascertain their value, ensuring that tax bases cannot be eroded through the mispriced transfer of the significant assets. Clause 71 will also widen the scope of materially updating the OECD guidelines, which can be incorporated within UK law by way of a Treasury order. Together, these changes will further support the work undertaken by HMRC to tackle aggressive transfer pricing positions taken by some multinational enterprise groups and ensure that these are swiftly incorporated into UK legislation.

As I have outlined, these clauses take a number of important steps to make our business tax environment one that better supports enterprise and growth, and targets reliefs where they are effective in advance of this Government's plans for a successful economy. They implement OECD guidelines that the UK has championed on transfer pricing, and take other steps to clamp down on avoidance. They withdraw outdated and little-used allowances in favour of broader reliefs and spending programmes on vaccines. They support Britain's enterprise zones, set up by the Government to boost growth and employment in key areas of opportunity. By bringing down the headline rate of corporation tax to 17%—the lowest in the G20—we are making it clearer than ever that Britain is open for business. These clauses should therefore stand part of the Bill.

**Rob Marris:** The Labour party supports all these grouped clauses except clause 42. I will not press amendment 21 to a Division because it has not been selected, but I will be inviting all Members, particularly those in the Opposition, to vote against clause 42 on corporation tax.

Clause 41 is effectively a technical change. I appreciate that it is on corporation tax and it goes with clause 42, but I think it need not detain the House now. On the abolition of vaccine research relief, paragraph 15 of the explanatory notes on clause 43 helpfully says:

> "The low level of take-up of the relief suggests it does not have a significant impact on a company’s research decisions. The government believes that direct spending programmes like the recently announced Ross Fund offer a more effective and flexible approach to the production of medicines and vaccines."

The Ross Fund is £1 billion and was announced by the Chancellor of the Exchequer in November 2015.

I appreciate this is not directly the Minister’s departmental responsibility, but if we are looking at things such as the Ross Fund, where the Government are directly funding rather than encouraging research through fiscal levers, I would like him to indicate whether that Ross Fund money will count as part of the 0.7% of GDP commitment for overseas aid. I again salute the Government for reaching that 0.7% target. The Labour Government of whom I was a Back Bencher for many years moved significantly towards that target, but it was the coalition Government who reached it, and it is this Government who have maintained that in spite of some pressure on occasions from what might be called their natural supporters, who have reservations about that 0.7%. I do salute the Government for reaching that, and they have the complete support of Opposition Members on maintaining that commitment, but there are always potential difficulties in how one measures what goes into that 0.7%. Whether this would come under the Department for International Development or the Department of Health in terms of vaccine research and the Ross Fund I know not, but I hope the Minister will, as a Treasury Minister, be able to give some indication as to whether this kind of thing counts towards the 0.7%, because were it to do so, some of us would raise an eyebrow, and I think one ought to know.

It also appears that the Government have decided that direct spending programmes are more effective and flexible for research than funding through fiscal measures. For us socialists, it is a welcome conversion on the part of the Government that they agree that they have a role in direct funding, but in terms of clause 43 and the abolition of vaccine research relief, this must form part of a wider canvas. I found it a bit shocking when the National Audit Office said a few months ago that there were about 1,200 tax reliefs. From memory, it found about six different sorts of measures that are often commonly called tax reliefs, and that only about 300 of them were being monitored by the Government as to their efficacy or otherwise.

It appears that the Government have monitored the efficacy of vaccine research relief and decided that it is not very efficacious. As I understand it, fewer than 10 companies were claiming the relief. I can understand that if that is the case the Government might wish to remove it, although of course in terms of pharmaceutical research, they could be 10 extremely large companies. The Government monitored that, however, and I salute them for doing so and for coming up with some results from their monitoring.

Clause 44 updates aspects of the cap on research and development aid. Broadly, we on the Opposition Benches—Labour, certainly—support this, because it was a Labour Government who introduced R and D relief for small and medium-sized companies in the Finance Act 2000, and the large companies scheme was introduced in the Finance Act 2002—I believe I sat on the Committee of that Bill as well, Sir Roger. At that time there was cross-party consensus, as there was when we were
opposition in 2013 regarding the introduction of R and D expenditure credits and their gradual replacement of the same companies scheme: we supported those measures in 2013. However, R and D tax credits have in very round terms led to £1 billion a year being claimed between the tax years of 2000-01 and 2013-14. That sounds very good and I have all kinds of figures here—helpfully supplied by the indefatigable researcher Imogen Watson, with whom the Minister will be familiar by now. I will not detain the House by reading them all out, but 33,800 different companies were claiming under the SME scheme and 7,800 were claiming under the large companies scheme.

Those figures are impressive: an average claim of £1 billion sounds impressive. However, since 2008 productivity has of course stalled in this country. One reason why successive Governments have given R and D tax reliefs of various different orders of magnitude and types is to encourage R and D, which will lead to newer products, goods and services and also to more efficient ways of doing things. Unfortunately, that has not been reflected in the productivity situation in the UK for many years, and I urge the Minister to reflect on that. In terms of the previous clause, he looked at the efficacy of the vaccine relief and decided to go in-house rather than carry on with the relief. I am not saying that the Government should take R and D in-house—I do not want to be misunderstood on that—but they should be looking at the efficacy, or otherwise, of it.

Clause 65 extends the capital allowances to designated assisted areas within enterprise zones for up to eight years. Of course the Labour party supports that. It is designed to encourage the purchase of energy-saving technologies. Again, I have a long list of qualifying technologies, which I will not read out.

I do want to ask a technical question, however, which I hope the Minister, with his usual omniscience, will be able to reply to. Pipework insulation is a qualifying technology, as are things such as high-speed hand air dryers and solar thermal systems, but I do not see on the list—it may be a lacuna on the list, or my fault—other forms of insulation other than pipework insulation. This is all part of the programme, which broadly has cross-party support from, I think, all parties in this House. That the UK should cut its CO2 emissions and greenhouse gas emissions, and one way to do that is by using fiscal levers. It would appear on the face of it that it would be good to have on that list insulation generally, in contradistinction to just pipework insulation. If it is not on the list, no doubt the Minister can explain why in his reply.

The second point that I want to make on the extension of capital allowances, the eight-year period and so on was raised by my hon. Friend the Member for Leeds West (Rachel Reeves) in a written question on 26 April this year to which the Minister helpfully replied on 5 May 2016 when he said:

“The government has carefully considered the case for exempting plant and machinery from business rates. However, there would also be fundamental operational challenges to delivering an exemption on account of the way in which the plant and machinery is embedded in the premises concerned”.

I ask the Minister to look at that again. It is a long time since I practised property law—I do not know whether the Minister ever did; that may have been a good few years ago as well—but there used to be things called fixtures and fittings, and indeed I believe that they still exist. They are often set out in commercial, rather than residential, leases. I am not sure why the issue of the embedded plant and machinery to which the Minister referred in his written answer is so difficult. I may be missing something, but I should have thought that if commercial lawyers can do it for fixtures and fittings in commercial leases, HMRC could do it for plant and machinery, embedded or otherwise, and that it would be worth the Government’s looking again at the issue raised by my hon. Friend.

Clause 66 is entitled “Capital allowances: anti-avoidance relating to disposals”. I wonder whether the Minister might be able to supply figures showing how much has been lost to the Exchequer through such avoidance schemes, but of course we support a clampdown on them.

3.30 pm

Clause 67, entitled “Trade and property business profits: money’s worth”, confirms that trading income received in non-monetary forms is fully accountable in calculations of taxable trading profits for income tax and corporation tax purposes. The fact that trading income received in non-monetary forms is assessable for those purposes would seem fairly obvious to many of us. Indeed, paragraph 12 of the explanatory notes on clause 67 refers to a 1948 decision to that effect, made by what was then the judicial Committee of the House of Lords; it would be called the Supreme Court now. I hope that the Minister will be able to tell us what has happened in the intervening 68 years to require that fact to be included in legislation, given that, presumably, there was formerly reliance on the case law precedent cited in the explanatory notes.

Furthermore—this is just a curiosity of mine, in which I hope the Minister will, with his usual patience, indulge me—if trading income received in non-monetary forms is to be thus assessable, what about the barter economy? Some people trade through barter. It is not simply an agreement between neighbours; there are trading arrangements which have traditionally been considered not to be susceptible to income tax and the like. Might it be an unintended consequence of clause 67 that such arrangements would in future be assessable?

Labour broadly supports clause 68, entitled “Replacement and alteration of tools”. However, I want to raise an issue that was raised with us by the Association of Taxation Technicians, to whom we are grateful. The clause would repeal legislation providing tax relief for expenditure incurred by a business on replacement or alteration of trade tools. We are talking about an important, although small, corner of the economy, and the proposed repeal could cause small businesses book-keeping problems. The association helpfully provided an example, and, if you will indulge me, Mr Howarth, I will read it out. It is not very long.

“One of our members has given an example of the use of the provision by a carpenter”—
one of the association’s clients—

“who has to replace a saw almost every week. Treating expenditure on saws as if it was on consumables (in the same way as screws, nails and glue) makes perfect sense. If the provision is repealed”—

which, of course, is what clause 68 would do—

“each of the saws will have to be capitalised and then written off for capital allowance purposes. Such repeal would make no difference at all to the trader’s actual tax position. It would simply complicate record keeping, add administrative burden and increase the risk of computational error.”
I wonder whether the Minister would have a look at that again and establish whether some kind of de minimis threshold could be introduced for businesses of that kind. Let me give an example of my own; I do not know whether it would be caught. A hairdresser who needed to replace his or her scissors every month might then have to account for that in capital terms, which would involve an awful lot of paperwork for a small business.

Clause 69 is coupled with clause 70: they are twins. In a sense, clause 69 introduces an alternative version of what clause 70 removes, namely the way in which those in the property business can claim tax relief for wear and tear. The amount was, across the board, 10%. I understand that the arrangement was fairly rough and ready and no records had to be produced, and there was a thought that some landlords were abusing it. Clause 70 gets rid of that regime, and clause 69 introduces a new regime specifying actual expenditure. It sounds fairer that someone cannot claim 10% across the board if they have not spent the money, and that they have to demonstrate what they have spent. Clause 70 gets rid of the 10% allowance, and clause 69 requires records to be produced to prove that money has been spent. The difficulty is that we are talking about small businesses, and the dilemma for any Government is the trade-off between accurate, fair accounting and taxation, and something that is a bit rough and ready but much less onerous for small businesses.

The Chartered Institute of Taxation, to which I continue to be grateful, has expressed its concern that there is no definition in statute of what constitutes a dwelling house. That is a bit worrying. I tried on two occasions to meet representatives of the Residential Landlords Association to discuss this matter, but unfortunately they had to cancel on both occasions so I am none the wiser. If the Minister could say a little more about the Government’s thinking on the rough and ready 10% rule versus the accuracy required by clause 69, and about the definition of a dwelling house, that would be helpful.

Clause 71 deals with transfer pricing applications, but I will not say a great deal on that matter because we ventilated those issues, albeit from a somewhat different angle, when we discussed amendment 1 earlier. However, there is a quote on transfer pricing that I quite like from the Tax Justice Network. In quoting Lee Sheppard, it stated:

“Transfer pricing is the leading edge of what is wrong with international taxation...The purpose of the OECD model treaty was to make life comfortable for American, British, German, and French multinationals by ensuring that the taxation of their operations by host countries is limited by separate company accounting and the permanent establishment concept. Treaties accomplish this task very well—so well, in fact, that many multinationals pay tax nowhere”—

but those treaties are

“clumsy tools that affluent developed countries have used among themselves, to their collective detriment, and seek to impose on developing countries.”

I have quite a lot of sympathy with that. We read of large companies such as Apple appearing to pay almost no tax anywhere, although we can never be sure about that because of the lack of transparency. I can understand the practice of transfer pricing and multinationals acting within the law in shifting stuff—legitimately if not ethically—to the lowest tax jurisdiction, but paying no tax at all seems a bit bizarre. The UK Government should continue to take the laudable steps that they have been taking over the past 16 years, including the past six years, to clamp down on that activity.

Clause 42 deals with corporation tax. The official Opposition—and, I hope, all MPs—will be voting against clause 42 stand part, because it would lower corporation tax. The Institute for Fiscal Studies is a fountain of considerable wisdom. It is not always right, of course—no one is—but it is worth listening to. It has calculated that the Government’s cuts to corporation tax have cost £10.8 billion a year. The Minister has said, and I do not doubt him, that overall receipts are up, despite the rates being lower. However, that is not the only yardstick. We also have to look at how much higher the receipts would have been, had the rate not been slashed to the lowest in the G7 and the joint lowest in the G20.

Of course my party wants a competitive tax rate, but we also want a fair tax system. My understanding is that in 1999-2000, corporation tax as a percentage of total HMRC receipts was 11.67%. By 2015-16, that percentage had crashed to 8.31%—a huge drop. The Minister has referred to the efforts of this Government and the Government that immediately preceded them to rebuild the British economy, which he referred to as being fundamentally strong. It will not surprise him that I beg to differ. However, there are definitely good points.

Sammy Wilson (East Antrim) (DUP): While there may have been a drop from 11.7% of total receipts to 8.3%, will the hon. Gentleman accept that other new forms of taxation, such as climate change levies and other climate taxes, have been imposed on businesses and have increased total tax revenues? The cake is bigger, so the slice of corporation tax is smaller, but the total amount is larger.

Rob Marris: The hon. Gentleman is quite right about the climate change levy. Changes in this Finance Bill effectively make the climate change levy just another tax, because it will no longer be used by the Government as a lever to change behaviour, which is why Labour dislikes the proposal. Business tax has probably gone up a bit overall, but what has happened in the economy, which the Minister described as fundamentally strong, is that employment is up by almost 2.5 million, and we salute that as a considerable achievement.

However, it has been bought on a sea of debt, on the drip, on the never-never. The national debt has gone up 60% in six years. We still have a huge annual deficit. Pay has stagnated for six years, and public sector pay will remain stagnant for another two or three years. Overall capital investment is markedly down. We have the biggest trade deficit in our history. Productivity is completely stalled. It is welcome that 2 million more people have jobs, which is good and the best route out of poverty, but almost every other economic indicator is poor and the Government propose to cut corporation tax.

Mr Jim Cunningham (Coventry South) (Lab): My hon. Friend mentioned borrowing. Given the economic situation at the start of our Parliament, it seems that the Chancellor might have to borrow more money to add to the national debt, and he is now talking about increasing taxes and cutting public services as well.
Rob Marris: I will not go too far down that route, but this Chancellor—in this sense and this sense only—has been saved by the Brexit vote. He was never going to meet his forecast for getting the deficit down in the lifetime of this Parliament. He also completely failed when he forecast in the previous Parliament that the deficit would be down to zero by 2015. He then forecast that it would be down to zero by 2020. That was never going to happen. We predicted that and I am sad that it was the case.

Now, with the Brexit vote, as my hon. Friend the Member for Coventry South (Mr Cunningham) says, the forecast will be nowhere near right, but no doubt the Chancellor will then use the vote as an excuse. The Brexit vote has revealed some of the underlying problems in the British economy that just about every serious economist has been pointing out for the last five years. Cutting corporation tax in this circumstance is a bad idea, and I urge all hon. and right hon. Members to vote against clause 42.

Nigel Mills: It is a pleasure to follow the hon. Member for Wolverhampton South West (Rob Marris). I want to say a few words about clause 42, because although I clearly welcome the planned reduction in corporation tax by 2020, following the welcome vote last week, it may now need to be part of the picture of how we change our business tax regime over that period. Unlike earlier, there are now a few more of us present who thought the vote was welcome.

For us to capitalise on the opportunities of leaving the European Union, we will have to make our country even more attractive to outside investment to stimulate growth, a key part of which is our corporation tax system. As the Minister is planning ahead that far and as we now have the special group in the Cabinet Office under the Chancellor of the Duchy of Lancaster, I urge careful thought about what our tax system should look like by the time we leave the European Union, what signals we are giving and how we can further improve it and make it more attractive. Perhaps we could look at an even lower rate to send out a signal that we are positive about business activity and that we want more investment and will reward it further.

Perhaps we could look again at how we do capital allowances, especially for infrastructure investment and manufacturing items, for example. Perhaps we could re-examine how we give tax relief for the building of new factories. This country is not actually that generous and does not give tax relief for any industrial building, which is not a clever way of encouraging manufacturing. In fact, we are one of the least attractive tax regimes for various infrastructure investment activity because of our lack of relief for structures. Perhaps now that we have the need and the time to review that, we should ask whether it is clever to structure our tax system in a way that is not as attractive as possible for industrial building and infrastructure activity, especially as we will need a lot of investment as we go forward.

3.45 pm

Given that we are now leaving the EU, there are some other areas on which we can capitalise. We have had to make various changes to our tax codes, especially to our corporation tax code, to comply with EU law, some of which take away some anti-avoidance rules that we would have quite liked to keep. Perhaps now would be a good time to think: should we bring those back as part of our tax system to stop assets being moved offshore at a discount without the tax being paid? Certain examples of that were exaggerated in the campaign. None the less, there are some perfectly sensible and reasonable anti-abuse rules that we could now bring back.

We had to introduce some compliance obligations in our system to try to make ourselves compliant with EU law which perhaps we will not need. For example, there is a measure that extends transfer pricing rules to UK transactions on the statute book but it has never really been tested or enforced. Perhaps we can sweep that away, thus taking away a compliance burden.

The vote may prompt our questioning whether our ever-expanding corporation tax code is sensible. Is now the right time, when we know that we have a big change coming, to see whether there is a better way of taxing our businesses? Is there a simpler tax code—perhaps something closer to accounts profit—that does not need all these adjustments? Can we capitalise on our general anti-abuse rule and perhaps have not quite so many detailed technical anti-avoidance rules? Can we just now rely on a robust principle that we know those rules are there, that they work and that we are building on them? Might it not make us an even more attractive destination if we say that we now have an even simpler tax code?

As I have said, I welcome the signal that we are reducing the corporation tax rate further, but if we are to help our economy grow over the next few years, we need to send some even stronger signals. There is more that we can do to our corporation tax code over the next four years than this sector is currently planning.

Kirsty Blackman (Aberdeen North) (SNP): I specifically want to talk about clause 43 in relation to vaccine breakthrough. I have issues with a couple of the Government’s proposals. First, it has been made clear that this measure costs the Government very little. In terms of foreign projections, the removal of the relief does not increase the Treasury’s take by a vast amount.

The explanatory notes on this were incredibly helpful and I really appreciated them, but they seem to be missing a few things. First, they say that only 10 firms claimed the relief, but they do not make it clear how many firms research and develop vaccines. After my slightly rudimentary research, I could find only about 10 firms that research and develop vaccines, which means that all of them claim the relief. Therefore, if I am correct, the uptake is quite high. That could be why companies are choosing to research and develop vaccines. I would appreciate it if the Minister confirmed how many companies research and develop vaccines. I would appreciate it if the Minister confirmed how many companies research and develop these things. If he does not have that information today, perhaps he could write to me with any details he has on that.

The explanatory notes mention the Ross Fund. I appreciate that the fund is a good thing and that it is good that the Government are financially supporting the development of vaccines, but it seems to me that the fund does not necessarily cover everything that the vaccine relief previously covered. The Ross Fund covers the following: antimicrobial resistance, which is a really important thing to be funding in this day and age;
diseases with epidemic potential, which, given what happened with Ebola, is a really important area to be funding; and neglected tropical diseases, which is a fabulous area for the Government to support. It is really important to be putting money into the various areas of research that have previously been neglected.

From the research that I have, it seems that vaccine research relief covers HIV/AIDS, whereas the Ross Fund does not. I would really appreciate it if the Government told whether HIV/AIDS research now falls through a gap, because it is an area that we need to continue to research and for which we do not currently have any vaccine or cure. I do not want it to get lost because companies are no longer able to claim aid or funding for such research.

I will not speak at too much length, as my concerns are around clause 43 and the fact that, although helpful, the explanatory notes left me with quite a few questions.

David Rutley (Macclesfield) (Con): I want to add my support to clause 42, notwithstanding the important points made by my hon. Friend the Member for Amber Valley (Nigel Mills), who set out the need for further thinking, perhaps, in the light of the Brexit vote. I was on a different side of the debate from him—only marginally—because I thought that there were concerns about economic risk, but there are certainly opportunities ahead, as well.

We need to ensure that we are ready to explore and realise those opportunities and the Government are absolutely committed to doing that. I hope that the Opposition are as well. It seems that the hon. Member for Wolverhampton South West (Rob Marris) is indicating that. We are up for that. As a result, I am perplexed about why clause 42 is not being supported by the Opposition. Such measures were vital when the proposals were first set out, and it is now even more important to put out a clear signal that we are open for business, that we understand business, that we want business to continue to come to the UK and that we want our exporters to thrive and flourish.

The corporation tax level is an important signal and an important driver in that regard. It is noticeable that the Federation of Small Businesses stated at the time of the announcement that it saw clause 42 as an important statement of intent that will provide a boost for affected firms. Small businesses are of course the backbone of our economy, but it is clear that the clause is an important signal for bigger businesses, too. It helps to illustrate and underline that Britain is open for business.

Given the decision made by the public, which I fully respect, it will be very important that we maintain the flow and increase the levels of foreign direct investment. I thought we were exposed in that area for a period of time, and I think that that exposure is still real, but we are currently the biggest destination in Europe for foreign direct investment. We have seen the biggest increase in FDI in projects in the north-west and I want to work with the Government and whichever party is around to ensure that we continue to see that flow. I want to ensure that the success we see in the country continues and that the northern powerhouse can fulfil its full potential. Key initiatives such as the life sciences corridor in Cheshire will require clear signals to businesses in the UK and abroad that we are open and want to move further forward, which is why I will support clause 42 when we vote, as I understand we will.

Sammy Wilson: I want to show our support for clause 42. In fact, I think it would be a bit strange for someone from Northern Ireland to take a different stance, especially given the fact that the Northern Ireland Government have put the reduction and devolution of corporation tax at the centre of their policy for attracting investment into Northern Ireland over the next 10 to 15 years.

There are two things. First, we must ask ourselves whether we believe that a reduction in taxation on businesses acts as an incentive. As I listened to the Opposition spokesman’s opposition to this measure, it raised a query in my mind: is the reduction of other business taxes regarded as acceptable and indeed desirable by the Labour party as a means of incentivising and helping small business? For the Opposition, it seems as though the reduction in business rates, which are a form of taxation, is desirable because it helps small businesses, but that the reduction of corporation tax seems to have no effect, or the opposite effect. If we are going to have some consistency, we must ask ourselves whether the principle of reducing taxes on businesses and their profits, and the impact that that has on the amount of money they retain for investment, is an effective means of stimulating business. If it is true of one form of tax, it is true of another. That is one of the reasons why I believe that the reduction in corporation tax is an important decision.

Secondly, during my former role as a Member of the Northern Ireland Assembly and as a Minister there, one of the things that came up consistently when we spoke to investors was corporation tax. We had an especially big problem, because we were living next door to a country—we have a land border with it—that had emphasised the reduction in corporation tax. Time and again, though not exclusively—there is no point in over-egging this pudding—investors mentioned the level of corporation tax: 12.5% in the Irish Republic and 22% in Northern Ireland. When companies looked at the headline level of taxation, they viewed the Irish Republic as a much more desirable place to invest. Of course they looked at other things—the skills base, the availability of office and factory space, the infrastructure and so on—but corporation tax was an important factor.

Rob Marris: May I caution the hon. Gentleman? For some of those companies—not all of them—this is a classic sob story. Corporation tax in America is roughly twice the rate that it is here. People still invest in companies in America. Corporation tax is part of an overall picture, as he says. Yes, companies should pay tax. If we followed the logic of some of the things that he has said this afternoon, we would not tax companies. That may be his position; it is not the position of Labour party.

Sammy Wilson: It is not the position of the Democratic Unionist party either, because there are other ways in which companies can be held responsible for their infrastructure requirements. For example, one of the forms of taxation that the Government have introduced
recently is the apprenticeship levy, where companies will be held responsible. They need trained workers, and they have to make a contribution from their profits to train those workers. There are ways to target the contribution that we require companies to make. I am not saying that companies should not pay for the infrastructure from which they benefit, but we must address one of the issues that they raise when they are considering whether we are a competitive place to invest.

**David Rutley:** The hon. Gentleman is making characteristically important points. Although there has been a nod to what has gone on in the US, it is important to look at what is happening in the UK. As we have seen a reduction in corporation tax, we have seen a strong performance in foreign direct investment. Let us look at what has happened here, which has helped to move the situation further forward—and no doubt it has been done so in Northern Ireland as well as the mainland.

**Sammy Wilson:** The hon. Gentleman is quite right: if we look at the record of companies in the United Kingdom as corporation tax has decreased, we see that we have experienced increasing foreign direct investment. Indeed, since the Northern Ireland Government announced that corporation tax will be reduced in, we hope, a year and a half’s time, there has been an upsurge of interest in the number of companies that wish to consider Northern Ireland as an investment proposition. We are already the second most successful region in the United Kingdom for foreign direct investment—I suppose that this bears out the Opposition spokesman’s point—but because we have emphasised the other selling points that are available to us at present, but corporation tax is the additional one that will make things easier for us.

**Mr Jim Cunningham:** Coming back to something that the hon. Gentleman said earlier about the training levy, for want of a better term, employers and particularly small businesses in this country have traditionally been reluctant about that levy. What do businesses in Northern Ireland feel about the levy?

**Sammy Wilson:** Of course, all businesses will seek to emphasise the additional costs that the levy imposes on them. However, many businesses that face a shortage of skills in Northern Ireland now recognise that there must be a means to ensure that we have a supply of skilled labour. Opinions differ on how to provide that supply of skilled labour and how the apprenticeship levy should be applied and used, but people now accept, given the number of companies that wish to consider Northern Ireland as an investment proposition. We are already the second most successful region in the United Kingdom for foreign direct investment. 

**Roger Mullin:** I return to the earlier point that the hon. Gentleman was making about inward investment. Does he agree that, compared to Brexit, this measure is pretty marginal in its likely impact in encouraging inward investment? As I am sure we are both very concerned about inward investment, does he agree that we should have an urgent debate to consider the implications of the Brexit vote?

4 pm

**Sammy Wilson:** I am reluctant to get involved because I know that the Chair will call me to order, but perhaps you will indulge me, Mr Howarth, and allow me to answer the point. I do not share the hon. Gentleman’s views about the detrimental impact of Brexit. Indeed, for businesses in Northern Ireland, where we have become export-oriented, it opens up the opportunity to look to those parts of the world where there are growing economies and allows us to make our own trade deals with them. I believe that Brexit will be of benefit to us and—

**The Temporary Chair (Mr George Howarth):** Order. I understand the connection that the hon. Gentleman is making, but he is about to strain it beyond the limits.

**Sammy Wilson:** I was about to say, Mr Howarth, that the reduction in corporation tax will be an additional means by which we can capitalise on those opportunities.

**Bob Stewart** (Beckenham) (Con): Would the hon. Gentleman like to see corporation tax in Northern Ireland at the same level as in the Republic of Ireland? Would that be possible?

**Sammy Wilson:** I have two more points that I want to make. The first is that the reduction in corporation tax in this Budget gives the Northern Ireland Government more flexibility. I hope the Minister will be able to clarify how much this reduction in corporation tax will reduce the bill for the devolution of corporation tax to the Northern Ireland Assembly. The reduction of that bill enables the Northern Ireland Government to do one of two things: either to have a lower cost for the reduction—the 12.5%—or to reduce the rate below 12.5%, accepting that there will be a hit of £280 million. If that has already been factored into the Budget, the rate of corporation tax can be reduced even further to make us more competitive.

Lastly, if the Government had decided not to go down the route of lowering the headline rate, one way of giving incentives to firms would simply be to increase the number of capital allowances or make them more complex. Although it could be argued that that would allow the Government to target particular kinds of investment, it has two impacts. First, it increases the cost of collecting tax, and, secondly, it makes it more complex for firms to have their corporation tax calculated. For small firms that is a burden. For larger firms it may not be such a burden.

I wish to quote that famous Scottish economist, Adam Smith—I am sure my friends in the Scottish National party will be glad to hear this. He set out in his principles of taxation that in the collection of taxes there should be economy, certainty and equity. I believe that having more capital allowances militates against that and makes it more costly, and firms will have less certainty about what their eventual tax bill should be. That is one of the reasons why I welcome clause 43 and some of the other clauses that reduce the number of allowances, as that simplifies the tax system and makes taxes easier to collect.

There may be only 10 companies that claim the vaccine research relief, but that requires an infrastructure to carry out the collection and a number of civil servants to be appointed to do the job. If we want to find ways of cutting the cost of collecting taxes, it makes sense to look at reliefs that may not be widely used but still absorb resources within HMRC. For these reasons, my party and I will not support the opposition to clause 42 and we will join the Government in pushing it through.
Mr Gauke: I thank hon. Members for their contributions to the debate. I will perhaps turn to corporation tax rates and clause 42 at the end of my speech—I think we will save the most exciting clause for the end. Let me first pick up some of the other points that have been raised.

Vaccine research relief is currently available only to large firms; it was removed for small and medium-sized enterprises in 2011, at the same time as the general SME and D relief was increased. It is also worth pointing out that all vaccine producers can claim normal R and D relief on qualifying expenditure. Incentivising vaccine production remains a priority for the Government, but we believe that spending programmes such as the Ross fund are more effective at doing that. The amount claimed through VRR is less than £5 million a year, despite a generous raise.

The Ross fund was announced by my right hon. Friend the Chancellor in November 2015. It will target infectious diseases, including malaria, diseases with epidemic potential, neglected tropical diseases, which affect more than 1 billion people globally, and antimicrobial resistance, which poses a substantial and growing threat to global health. In January 2016 the Chancellor built on the announcement of the Ross fund by confirming that the Government will invest £500 million a year over the next five years in the fight to end deaths from malaria. That formed part of the £3 billion commitment between the Government and Bill Gates. The UK continues to contribute to the Global Fund to Fight AIDS, Tuberculosis and Malaria, an internationally supported organisation designed to accelerate the end of AIDS, tuberculosis and malaria as epidemics. I wanted specifically to come back on the very good point raised by the hon. Member for Aberdeen North (Kirsty Blackman).

The Ross fund does constitute official development assistance. It is worth pointing out that all UK ODA is administered with the promotion of the economic development and welfare of developing countries as its main objective, and it is in line with internationally agreed rules on ODA, so it is perfectly reasonable that we include the fund in the 0.7%, and it can clearly make a huge difference to large numbers of people.

The hon. Member for Wolverhampton South West (Rob Marris) asked how much is lost to the Exchequer through some of the schemes we seek to address in clause 66. Over the scorecard period, which takes us to 2020-21, it is expected that the changes will yield about £20 million of tax that would otherwise have been avoided and that they will potentially protect much more. This is not the largest measure by any means, but it is, none the less, a contribution. By way of background, more. This is not the largest measure by any means, but avoided and that they will potentially protect much

£20 million of tax that would otherwise have been

2020-21, it is expected that the changes will yield about

clause 66. Over the scorecard period, which takes us to

a huge difference to large numbers of people.

employment numbers are as high as they are; and that

is why we have taken steps to reduce the corporation tax

ultimately attracts jobs and investment to the UK. That

tax rate, and our destination towards an even lower rate,

people often note the headline rate of corporation tax;

point about how, when talking to international businesses,

corporation tax to Northern Ireland. I was struck by his

Gentleman had argued a different case, I might have

I was asked whether clauses 69 and 70 will cause

some complication in the old 10% wear-and-tear deduction,

which was simple. Of course, Labour Members highlighted

the wear-and-tear allowance as a potential saving within

the tax system. It is interesting that, despite its simplicity,

a significant number of interested parties agreed with

the Government that the wear-and-tear allowance was

not fair. It applies only to landlords of fully furnished

properties, and provides relief even where landlords

have not had to meet any actual expense. We have

carefully considered the different ways in which a relief

based on actual expenditure could be designed and

implemented, and we have legislated for the simplest

possible basis.

Turning to clause 42 and the wider issues, I am

grateful for the supportive contributions by my hon.

Friends the Members for Amber Valley (Nigel Mills)

and for Macclesfield (David Rutley), and by the hon.

Member for East Antrim (Sammy Wilson). If the hon.

Gentleman had argued a different case, I might have

pointed to the many conversations that we have had

over very many years in the context of devolution of
corporation tax to Northern Ireland. I was struck by his

point about how, when talking to international businesses,

people often note the headline rate of corporation tax;

international investors are aware of that. It is certainly

my experience, having met many international businesses

over a number of years when promoting the UK as a

place in which to do business, that our low corporation
tax rate, and our destination towards an even lower rate,

attracts attention and a fair degree of admiration, and

ultimately attracts jobs and investment to the UK. That

is why we have taken steps to reduce the corporation tax

rate, and I think that that has played a significant role in

the fact that business investment is up significantly; that

employment numbers are as high as they are; and that

foreign direct investment in this country has been so

strong. Of course, that is not the only factor; there are

others. This country also faces particular challenges in
the light of recent events, but, as my hon. Friends the Members for Amber Valley and for Macclesfield have said, it is absolutely right that we have a competitive corporation tax rate.

4.15 pm

The message that we want to send to those businesses that may have concerns about the consequences of the referendum vote is that the UK is open for business. We continue to provide a skilled and ambitious workforce, and to offer links with much of the rest of the world. Clearly, there is a debate to be had about how much access we can continue to have to the single market, but I certainly hope that we can do that. The UK also has a competitive tax system and the 17% rate of corporation tax is absolutely key to that. In particular, it would be a grave mistake for us to step away from what we have already announced, namely our clear determination to move towards a lower rate of corporation tax, because this is a competitive world and the UK needs to make the case that we are open for business.

With those remarks, I hope that the various clauses under discussion will be supported. In particular, I hope that there will be resounding support for clause 42, which further moves the United Kingdom in the direction of having a competitive, attractive and dynamic economy.

Question put and agreed to.

Clause 41 accordingly ordered to stand part of the Bill.

Clause 42

RATE OF CORPORATION TAX FOR FINANCIAL YEAR 2020

Question put, That the clause stand part of the Bill.

The Committee divided: Ayes 308, Noes 255.

Division No. 27] [4.17 pm

AYES

Davies, David T. C.
Davies, Glyn
Davies, Dr James
Davies, Mims
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Donnies, Nadine
Double, Steve
Dowden, Oliver
Doyles-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duncan, rh Sir Alan
Dunstan Smith, rh Mr Iain
Dunne, Mr Philip
Elliott, Tom
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evennott, rh Mr David
Fallon, rh Michael
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fuller, Richard
Fysh, Marcus
Garnier, rh Sir Edward
Garnier, Mark
Gauke, Mr David
Ghani, Nusrat
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matthew
Hands, rh Greg
Harper, rh Mr Mark
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Heron, Lady
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howell, John
Howlett, Ben
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Jawawi, Mr Ranil
Jenkin, Mr Bernard
Jenkins, Andrea
Jenrick, Robert
Johnson, Boris
Johnson, Gareth
Johnson, Joseph
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, Seema
Kinnahan, Danny
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lancaster, Mark
Latham, Pauline
Leadsom, Andrea
Lee, Dr Philip
Lefroy, Jeremy
Leigh, Sir Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, rh Dr Julian
Liddell-Grainger, Mr lan
Liddington, rh Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Mackinlay, Craig
Mackintosh, David
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
May, rh Mrs Theresa
Maynard, Paul
McCarty, Jason
McCartney, Karl
McLoughlin, rh Mr Patrick
Menzies, Mark
Merrico, Johnny
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Millin, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, rh Nicky
Morris, Anne Marie

NOES


Beckett, rh Margaret
Barron, rh Kevin
Barron, rh Margaret
Mowat, David
Mundell, rh David
Murray, Mrs Sheryll
Murnion, Dr Andrew
Neill, Robert
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Dr Matthew
Opperman, Guy
Osborne, rh Mr George
Parish, Neil
Patel, rh Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Mike
Penrose, John
Perry, Claire
Phillips, Stephen
Philip, Chris
Pickles, rh Sir Eric
Pincher, Christopher
Poulter, Dr Daniel
Pow, Rebecca
Prentis, Victoria
Prisk, rh Sir Alan
Pritchard, Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Mr Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Rhys
Rosindell, Andrew
Rudd, rh Amber
Runley, David
Sandbach, Antoinette
Scully, Paul
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Henry
Smith, Julian
Smith, Royston
Soames, rh Sir Nicholas
Solloway, Amanda
Spelman, rh Mrs Caroline
Spencer, Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Street, Mr Gary
Stride, Mel
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Symms, Mr Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Turner, Mr Andrew
Tyrie, rh Mr Andrew
Vara, Mr Shalesh
Vickers, Martin
Walker, rh Sir Oliver
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Warburton, David
Warman, Matt
Wharton, James
Whately, Helen
Wheeler, Heather
White, Chris
Whitaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williams, Craig
Wilson, rh Mr Robert
Wilson, Sammy
Wollaston, Dr Sarah
Wood, Mike
Wragg, William
Wright, rh Jeremy
Zahawi, Nadhim
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, rh Ms Karen
Burden, Richard
Burgon, Richard
Bullier, Dawn
Byrne, rh Liam
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Douglas
Cherry, Joanna
Chwyd, rh Ann
Coaker, Vernon
Cooper, Julie
Cooper, Rosie
Corbyn, rh Jeremy
Cowan, Ronnie
Coyle, Neil
Crawley, Angela
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummings, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dalila, Nic
Danczuk, Simon
Davies, Wayne
Davies, Geraint
Day, Martyn
De Piero, Gloria
Docherty-Hughes, Martin
Doughty, Stephen
Dowd, Jim
Dowd, Peter
Dromey, Jack
Durkan, Mark
Eagle, Ms Angela
Edwards, Jonathan
Elford, Clive
Elliot, Julie
Ellman, Ms Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Fellows, Marion
Ferrier, Margaret
Fitzpatrick, Jim
Fiellio, Robert
Pint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Gapes, Mike
Gardiner, Barry
Gethins, Stephen
Gibson, Patricia
Glass, Pat
Glindon, Mary
Godsil, Mr Roger
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hanson, rh Mr David
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendrick, Mr Mark
Hendry, Drew
Hepburn, Mr Stephen
Hiller, Meg
Hodgson, Mrs Sharon
Hoey, Kate
Hollett, Kate
Hopkins, Kelvin
Hose, Stewart
Hunt, Tristram
Huq, Dr Rupa
Hussain, Imran
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Gerald
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Kerr, Calum
Kinnock, Stephen
Kyle, Peter
Lamb, rh Norman
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Leslie, Chris
Lewell-Buck, Mrs Emma
Long Bailey, Rebecca
Lucas, Caroline
Lynch, Holly
MacNeil, Mr Angus Brendan
MacTaggart, rh Fiona
Madders, Justin
Mahmood, Mr Khalid
Malhotra, Seema
Mann, John
Marris, Rob
Marsden, Mr Gordon
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCaig, Callum
McCarthy, Barry
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, John
McFadden, rh Mr Pat
McGarry, Natalie
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McMahon, Jim
Meałe, Sir Alan
Mears, Ian

Tellers for the Ayes:
Sarah Newton and
Simon Kirby

NOES
Abbott, Ms Diane
Abrahams, Debbie
Ahmed-Sheikh, Ms Tasmina
Alexander, Heidi
Allen, Mr Graham
Allin-Khan, Dr Rosena
Anderson, Mr David
Arkless, Richard
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Kevin
Beckett, rh Margaret
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, rh Ms Karen
Burden, Richard
Burgon, Richard
Bullier, Dawn
Byrne, rh Liam
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Douglas
Cherry, Joanna
Chwyd, rh Ann
Coaker, Vernon
Cooper, Julie
Cooper, Rosie
Corbyn, rh Jeremy
Cowan, Ronnie
Coyle, Neil
Crawley, Angela
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummings, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dalina, Nic
Danczuk, Simon
David, Wayne
Davies, Geraint
Day, Martyn
De Piero, Gloria
Docherty-Hughes, Martin
Doughty, Stephen
Dowd, Jim
Dowd, Peter
Dromey, Jack
Durkan, Mark
Eagle, Ms Angela
Edwards, Jonathan
Elford, Clive
Elliot, Julie
Ellman, Ms Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Fellows, Marion
Ferrier, Margaret
Fitzpatrick, Jim
Fiellio, Robert
Pint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Gapes, Mike
Gardiner, Barry
Gethins, Stephen
Gibson, Patricia
Glass, Pat
Glindon, Mary
Godsil, Mr Roger
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hanson, rh Mr David
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendrick, Mr Mark
Hendry, Drew
Hepburn, Mr Stephen
Hiller, Meg
Hodgson, Mrs Sharon
Hoey, Kate
Hollett, Kate
Hopkins, Kelvin
Hose, Stewart
Hunt, Tristram
Huq, Dr Rupa
Hussain, Imran
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Gerald
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Kerr, Calum
Kinnock, Stephen
Kyle, Peter
Lamb, rh Norman
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Leslie, Chris
Lewell-Buck, Mrs Emma
Long Bailey, Rebecca
Lucas, Caroline
Lynch, Holly
MacNeil, Mr Angus Brendan
MacTaggart, rh Fiona
Madders, Justin
Mahmood, Mr Khalid
Malhotra, Seema
Mann, John
Marris, Rob
Marsden, Mr Gordon
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCaig, Callum
McCarthy, Barry
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, John
McFadden, rh Mr Pat
McGarry, Natalie
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McMahon, Jim
Meałe, Sir Alan
Mears, Ian
Question accordingly agreed to.
Clause 42 ordered to stand part of the Bill.
Clauses 43 and 44 ordered to stand part of the Bill.
Clauses 65 to 71 ordered to stand part of the Bill.

Clauses 72 to 75 stand part.

Government amendments 30 to 35.

Amendment 181, in schedule 14, page 432, line 45, at end insert—
“169VS Expiration of Chapter V provisions

(1) The provisions of Chapter V of part 5 of this Act shall remain in force until five years after their commencement and shall then expire, unless continued in force by an order under subsection (2).

(2) The Secretary of State may by order made by statutory instrument provide—

(a) that all or any of those provisions which are in force shall continue in force for a period not exceeding 12 months from the coming into operation of the order; or

(b) that all or any of those provisions which are for the time being in force shall cease to be in force.

(3) No order shall be made under subsection (2) unless—

(a) a draft of the order has been laid before and approved by a resolution of both Houses of Parliament,

(b) the Secretary of State has laid the report of a review of the operation of Investor’s Relief before both Houses of Parliament.”

Government amendments 65 to 68.

That schedule 14 be the Fourteenth schedule to the Bill.

Amendment 182, in clause 77, page 135, line 17, leave out “£100,000” and insert “£50,000”.

Government amendment 184.

Clauses 77 to 81 stand part.

New clause 2—Review of remuneration of investment fund managers—

“Mr Gauke: The final session of today’s debate considers a number of changes to capital gains tax, along with Government amendments and one Opposition amendment.

Clause 72 will provide an incentive for people to invest in companies by reducing the main rate of capital gains tax from 18% to 10% and 28% to 20% on most gains made by individuals, trustees and personal representatives. The Government want to ensure that companies can access the capital they need to grow and create jobs, and want the next generation to be backed by a strong investment culture. We believe the best way to encourage this is to let investors keep more of the rewards when their investment is successful. At 28%, our higher rate of capital gains tax is among the highest in the developed world. We do not want high tax rates to deter investment. The lower capital gains tax rates introduced by this clause will make it more attractive for people to invest in companies, helping those companies to access the capital to expand and create jobs. Gains made on residential properties that do not qualify for private residence relief, and those from carried interest, will remain subject to the 18% and 28% rates. Retaining these rates will create an incentive for individuals to invest in companies rather than in property.

The Temporary Chair (Mr George Howarth): With this it will be convenient to discuss the following:

That clauses 11 and 12 be the Eleventh and Twelfth schedules to the Bill.

Government amendments 30 to 35.

Clauses 73 to 75 stand part.

Government amendments 36 to 38.

That schedule 13 be the Thirteenth schedule to the Bill.

Clause 76 stand part.

Government amendments 39 to 64.

Tellers for the Noes:

Vicky Foxcroft and Jeff Smith
Clauses 73 to 75 make changes to ensure that entrepreneurs relief on capital gains tax rewards business owners and entrepreneurial investors while safeguarding the effect of measures introduced last year to prevent abuse of the relief. The Government are committed to supporting enterprise and entrepreneurship, but they are equally committed to fairness in the tax system. Entrepreneurs relief allows certain capital gains to be taxed at 10%, rather than the normal rates, and plays an important role in supporting the enterprise culture of this country, but, as with all tax reliefs, we need to make sure that it is not being claimed in circumstances where it does not achieve its intended purpose.

These changes will improve the targeting of the anti-abuse rules introduced in 2015. The changes in clause 73 will allow relief for gains on disposal of a private asset used in a business in cases of genuine retirement or where members of the claimant’s family succeed to the claimant’s business. These changes will level the playing field for family-run businesses and allow them to be passed to the next generation without an unfair tax charge.

The changes in clause 74 will allow someone selling their business to a limited company to claim relief on the goodwill of that business, providing they have only a small stake in the company. The relief will still be denied where the former proprietor or partner could continue running the business through the company and benefit directly from future profits and business growth. Entrepreneurs relief on gains on shares is due only where those shares are in trading companies or the holding companies of trading groups. Clause 75 amends the definition of a trading company to ensure that relief is available for shares in a company that has no trade of its own but which holds shares in a trading joint venture company where the investor effectively holds 5% or more of the joint venture company. The further changes made by these clauses will be backdated to the date on which the 2015 changes came into effect, meaning that no one who has made a genuine disposal for commercial reasons should be disadvantaged by the new rules.

The Government have tabled several minor amendments to the clauses. Amendments 30 to 33 simply move one of the new conditions introduced by clause 73 to a different place in the relevant statute. Amendments 34 and 35 correct two unintended retrospective effects of clause 73. Without the amendments, someone who made a disposal after Budget day 2015 and was eligible for entrepreneurs relief could find themselves deprived of that relief by changes announced at Budget 2016. Amendments 36 to 38 clarify the commencement provisions for the new rules introduced by clause 75 and ensure that the new definition of a trading company supersedes the definition used by the Finance Act 2015. These amendments do not reflect any change in policy and will have no impact on the costings of the measures.

Now is an appropriate time to address new clause 11, tabled by Opposition Members, which proposes that my right hon. Friend the Chancellor of the Exchequer publish within six months of the passing of the Act a report of the Treasury’s assessment of the value for money provided by entrepreneurs relief. Opposition Members will be aware that the Government keep all tax policy under review. This includes entrepreneurs relief, as demonstrated by recent action taken to ensure that the relief is effective, well targeted and not open to abuse, and we will continue to act where appropriate. I can inform the Committee that officials have for some time been developing a detailed research programme designed to identify taxpayers’ motivations for using entrepreneurs relief, and I expect the results to be published at some point in 2017. I do not believe it is necessary to legislate for a review, so I hope that the Opposition will not press the new clause.

Clause 76 and schedule 14 introduce investors relief and apply a 10% rate of capital gains tax to gains accruing on the disposal of qualifying shares held by an external investor in an unlimited trading company for at least three years. Many companies struggle to attract the long-term external investment they need to grow and expand, and this can be particularly difficult for unlisted companies, which is why, on top of cutting the capital gains tax rates, the Government are introducing this additional financial incentive to invest in these companies over the longer term. Investors relief has been designed to help unlisted companies attract inward equity investment from external investors. This clause and schedule apply a 10% rate of capital gains tax to gains accruing on the disposal of qualifying shares held by an investor in an unlimited trading company or trading group. The investor must not be an employee or officer of the company at the time of subscription. In addition, the shares must have been newly issued after 17 March 2016 and held for a period of at least three years starting from 6 April 2016. The amount of relief is capped, with individuals subject to a lifetime cap of £10 million on qualifying gains.

We are today making a number of amendments to this clause to ensure that the rules surrounding the relief are fair and clear, and to extend the scope of the relief to prevent market distortions and unlock further sources of capital. Amendments 39 to 41, 43, 44, 50 and 61 will ensure that trustees of a settlement as well individuals who choose jointly to subscribe with other individuals are able to subscribe for investor relief qualifying shares. In the case of trusts, amendment 51 includes rules that prevent individuals from creating multiple trusts, each with a £10 million lifetime limit.

Amendments 45 to 49 clarify how to determine the number of shares that qualify for investors relief when a disposal is made that consists of a mixture of qualifying and non-qualifying shares. Amendments 52 to 60 and amendments 65 to 68 clarify the provisions that deal with share disposals, share exchanges, elections, subscriptions and the distribution of value to existing shareholders.

Finally, some investors may wish to monitor and protect their investment through a seat on a company’s board. Amendments 42 and 62 to 64 allow such an investor to become a director after their investment has been made as long as they are not remunerated in that capacity. They also allow an individual who becomes an employee of the company to access relief in most situations after 180 days of the share issue. Investors relief is designed to attract new capital into unlisted companies, enabling them to grow their business. It will help to advance this Government’s aims for a growing economy driven by investment and supporting businesses to grow.

Let me turn to the Opposition amendment that was tabled by the hon. Member for Feltham and Heston (Seema Malhotra), but is now being taken up by her
successor—and may I congratulate the hon. Member for Salford and Eccles (Rebecca Long Bailey) on her promotion? Amendment 181 seeks to end the relief affording the value of five years with the option of an additional 12-month extension if agreed by both Houses, subject to the Chancellor laying a review of the operation of the relief before both Houses. The amendment is unnecessary when the Government rightly keep all tax policy under review in line with normal tax policy-making practice. There would be limited merit in conducting the review within five years; the first data on the uptake of the relief in its first year of operation would not be available to HMRC until 2020-21. The Government believe that legislating for a review within five years is unnecessary and inappropriate. I therefore hope that amendment 181 will be withdrawn.

Clause 77 relates to shares given to employees who accept employee shareholder status. It places a lifetime limit of £100,000 on the capital gains tax exempt gains that a person can make on disposal of those shares. The limit will apply to shares received under arrangements entered into after 16 March 2016. The change will enable employee shareholders to realise the significant growth in the value of their shares without paying any capital gains tax, while helping to ensure that the status is not misused. The clause provides for fair and consistent treatment of transfers of shares to a spouse or partner. The change will benefit the Exchequer by £10 million in 2019-20 and £35 million in 2020-21.

It is also an appropriate point to address amendment 182, which was tabled by Opposition Members. It proposes that the lifetime limit be £50,000 rather than the Government’s proposed £100,000. This is not a change that the Government would welcome. The introduction of a cap of £100,000 where there was none before is, we believe, a significant change. The level of the cap is a matter of weighing up two policy objectives—ensuring that employee shareholder status is not misused, and encouraging and rewarding entrepreneurship. The Government believe that setting the cap at £100,000 strikes the right balance. It encourages entrepreneurship by allowing an exemption from capital gains tax which is still generous while helping to ensure that the status is not misused. The clause provides for fair and consistent treatment of transfers of shares to a spouse or partner. The change will benefit the Exchequer by £10 million in 2019-20 and £35 million in 2020-21.

4.45 pm

On Government amendment 184, the normal CGT rule is that when a share is involved in certain paper-for-paper transactions, such as a bonus issue or a share-for-share takeover, a tax charge is prevented from arising at that time because the shareholder receives no cash from which to pay that tax. The new lifetime cap in clause 77 means we need a rule to ensure fair and consistent treatment when an exempt employee shareholder share is involved in these types of transactions. This amendment ensures that an employee shareholder will not have to pay CGT at the time of those transactions. Without the amendment, an employee shareholder who has used the whole of his or her lifetime limit may suffer a tax charge owing to events beyond their control although they receive no cash from which to pay that tax. That would plainly be unfair and inconsistent with the treatment of other shareholders in similar circumstances.

Clause 78 introduces a further limit to the relief from CGT on the disposal of employee shareholder shares. The clause is designed to ensure that investment fund managers cannot take advantage of the employee shareholder rules to avoid tax on the rewards they receive for managing funds. Clause 78 is part of the legislation introduced by this Bill to ensure fund managers are eligible to pay CGT on their performance-linked rewards or carried interest only when the underlying fund they manage holds investments for the long term. To continue the Government’s work ensuring that fund managers pay the right amount of tax, this clause is designed to ensure that any planning that seeks to exploit the employee shareholder rules will not work. The changes made by clause 78 are narrow in scope. They amend the rules governing the relief afforded to employee shareholders to make it clear that the relief from CGT does not apply to the management fees and carried interest paid to fund managers. Those funds were never intended to benefit from this relief and should always be charged to tax at the appropriate rate.

Turning to new clause 2, the SNP proposes a review within six months of Royal Assent of the tax treatment of investment fund managers’ remuneration. Legislating for a review in six months is unnecessary. The Government have already undertaken extensive work on this area over the last year, launching a consultation after last year’s summer Budget on the remuneration of investment fund managers and publishing draft legislation at autumn statement. Indeed following this work the Government have included provision in this Bill to ensure that investment managers’ rewards will be charged to income tax whenever underlying fund is not investing for the long term. By contrast, treating carried interest that arises to fund managers from long-term investment strategies as essentially a capital gain, rather than an income issue, is the right approach, and one that keeps the UK in step with other countries. It is also the approach consistently adopted by previous Governments in this country over a long period. Of course if any part of a manager’s reward payments are properly regarded as income rather than capital they should be charged to income tax and the clauses included by the Government in this Bill will ensure fund managers do not access CGT treatment except where they are long-term investors.

I welcome this debate. The Government have already looked closely at income and capital for fund managers’ remuneration and have introduced clauses in this Bill to ensure that the line is drawn in the right place. Again I hope Opposition Members will not press new clause 2.

Clauses 79, 80 and 81 make minor changes to ensure the CGT system for non-residents operates effectively. Since April 2015 non-residents disposing of UK residential property have been subject to CGT. This has addressed a significant unfairness in the tax regime and ensures that non-residents investing in the UK property pay their fair share of tax. While the regime is working well overall, the Government have identified a small number of technical issues that need addressing. The changes made in clause 79 will ensure that there is neither double counting nor under-counting in the determination of how much capital gains tax is due when a non-resident disposes of UK residential property. The changes made in clause 80 will provide for two circumstances in which a capital gains tax return by a non-resident is not required when no tax is due and gives the Treasury secondary legislative power to add, amend or remove circumstances. That will minimise the administrative burden on taxpayers.
Clause 81 adds capital gains tax to the provisions in the Provisional Collection of Taxes Act 1968, which allows tax to be collected on a provisional basis between Budget and Royal Assent. Before capital gains tax for non-residents was introduced, it was normally payable at the end of the tax year, so there was no need to collect tax on a provisional basis. However, non-residents are required to notify and pay any capital gains tax that is due within 30 days. From April 2019, UK residents disposing of residential property will also notify and pay capital gains tax within that period. It is therefore now necessary for any rate cut or rise to apply properly to UK residents and non-residents disposing of residential property before a Finance Bill receives Royal Assent.

A wide range of measures is before us, and I have already spoken for long enough—for too long, some might argue. Taken together, those measures do much to support entrepreneurship, investment and economic growth. The introduction of investors relief and the reduction in the main rates of capital gains tax for non-property investments in particular are big, ambitious steps. Meanwhile, we are also being vigilant in tightening areas of capital gains tax and associated reliefs that have the potential to be exploited, and addressing any instances in which restrictions unfairly exclude justified users. I encourage Members on both sides of the Committee to support our proposals.

Rebecca Long Bailey (Salford and Eccles) (Lab): I thank the Minister for his earlier kind words, and commend him for his sterling effort over the last two days. He has fought his way through the Finance Bill with a bad back, and we wish him a speedy recovery. There will be a place in heaven for him, I am sure of that.

I want to speak about clauses 72 to 81, schedules 11 to 14, Government amendments 30 to 68, new clause 2, and the amendments that stand in my name and those of my hon. Friends. Clause 72 and schedules 11 and 12 cut the basic rate of capital gains tax from 18% to 10%, and the 28% rate to 20% on most gains made by individuals, trustees and personal representatives. Gains accruing on the disposal of interest in residential properties that do not qualify for private residence relief, and gains arising in respect of carried interest, remain subject to the 18% and 28% rates.

The Government have said that the retention of the higher rates for residential property is intended to provide an incentive for investment in business over property. Entrepreneurs relief will remain at 10%, and will be extended to investors. I shall return to those reliefs, about which the Opposition have some concerns, later in my speech. The changes will take effect on 6 April 2016.

As the Committee will know, Labour Members have a serious problem with this policy decision, which they opposed during the Budget debate and on Second Reading. It constitutes a major tax giveaway to the tune of £2.7 billion over the next five years for the wealthiest in our society, at a time when the poorest communities are crying out for help and investment. The Chancellor had a choice to make in his Budget. He had to decide whether to use any spare cash, of which he keeps saying there is none, to help the most vulnerable, who have suffered six years of the Government’s austerity programme, or to give a tax break to those who need it the least. He chose the latter, and, in the Opposition’s view, that says it all about the Government’s priorities.

The explanatory notes state that “the Government wants to ensure that companies have the opportunity to access the capital they need to grow and create jobs, and wants the next generation to be backed by a strong investment culture.” Opposition Members want capital investment in our economy. Indeed, we champion it and we have been saying so for more than nine months. However, we question whether cutting the headline rate of capital gains tax will indeed trigger large-scale investment. We believe that it could simply line the pockets of some of the wealthiest.

The Chartered Institute of Taxation echoes those concerns, stating that “the intention of the reduction is stated as being to drive productivity growth across the UK, but we question whether a simple reduction in rates will stimulate growth.”

The Office for Budget Responsibility’s economic and fiscal outlook document suggests that such a cut is unlikely to put rocket boosters under business investment, having not predicted massive increases over the next five years. What is more, business itself has not been calling for this measure, which was totally unexpected. The top priority for business is investment in skills and infrastructure, not cuts in the top-line rate of taxation—especially when the headline rates are frequently chopped and changed by the Chancellor in what Paul Johnson, the director of the Institute for Fiscal Studies, describes as an “up and down rollercoaster ride”.

He also stated that “we need a serious plan and strategy here. This is not the way to make good tax policy”.

In the current economic climate, given the result last Thursday, it is even more vital to provide as much certainty as possible to business on the rates of tax that they will pay. Given the serious risk of recession in the latter end of this year, I again make the point that £2.7 billion is a lot of money that could be put to better use. The Opposition will not support such an unfair measure, and we will oppose this clause standing part of the Bill.

Clauses 73 to 75 relate to entrepreneurs relief, which provides a rate of capital gains tax of 10% on any gains accrued when directors who own 5% or more of a company sell shares in the companies they own, up to a lifetime limit of £10 million. The clauses address some issues with the legislation that was introduced in the Finance Act 2015. According to the Government’s explanatory notes to the Bill, changes in that Act “prevented certain abuses involving ER, but they also limited the availability of relief on some transactions where there was no abuse. The effect of the changes made by this clause are backdated to the introduction of FA 2015 in order to mitigate the disadvantage suffered by some as a result of earlier changes.”

Opposition Members have no issue with the content of the clauses, and we are pleased that the Government have tabled amendments to correct the poor drafting of the original ones. The Chartered Institute of Taxation had raised some concerns about that, so we are pleased that the Government have clarified the legislation.

However, the Opposition are concerned about entrepreneurs relief as a whole and we have therefore proposed, in new clause 11, that the Government produce a report within six months of the passing of this Bill.
giving the Treasury's assessment of the value for money provided by entrepreneurs relief. The relief was estimated to cost £2 billion in 2012-13, rising to £3 billion in 2015-16. That represents a vast amount of Government revenue that is being forgone, and there appears to be no assessment of the relief's efficacy in encouraging entrepreneurialism. We understand the rationale behind it, but as with all tax reliefs, the Government must ask themselves whether it provides value for money and whether it works in practice.

Tax Research UK's analysis of the relief suggests that in the 2013-14 financial year, 3,000 people received tax relief to the tune of £600,000 each, at a total cost to the Treasury of £1.8 billion. Will the Minister confirm whether that is the case and tell us whether the Treasury has the relevant figures for 2014-15? That analysis also highlighted a couple of issues with the logic behind the relief itself, arguing that it is given at a time when people cease to be entrepreneurs by selling their businesses, and that it therefore does not encourage entrepreneurialism. It also argues that the relief has unfortunate behavioural consequences because by increasing the reward from sale it encourages sale far too early. The Opposition therefore feel that an assessment of the relief is in order given the vast amount of forgone Government revenue, which appears to be concentrated in the hands of a small number of individuals. I noted the Minister's earlier comments and look forward to the results of the Government's research, due to be published in 2017.

5pm

That leads me nicely on to clause 76. Government amendments 44 to 68 and Opposition amendment 181 relating to investors' relief. Clause 76 extends entrepreneurs relief to external investors in unlisted companies, applying a 10% rate of capital gains tax to gains accruing on the disposal of shares in an unlisted trading company. Shares must be held by individuals, be newly issued on or after 17 March 2016 and have been held by the investor for at least three years, starting from 6 April 2016. A person's qualifying gains are subject to a lifetime cap of £10 million. The theory behind the relief was that it would encourage investment in small businesses that need capital to expand and create jobs, and it is expected to cost £120 million over the next five years.

We are happy to support the initial implementation as an experimental relief, but as with entrepreneurs relief we believe that the Government should periodically assess its efficacy. Amendment 181 would introduce a sunset clause whereby the relief will expire in five years' time. To extend it, the Chancellor would have to enact secondary legislation, but before such an order could be made he must review matters and lay a report of the Opposition's concerns. That would be a sensible approach to ensure that the relief is doing in practice what the Government intend it to do in theory. I hope that the Government can see the merits of that approach and accept our amendment, but I will not seek to divide the House on it today.

Clauses 77 and 78 relate to employee shareholder schemes, as does Opposition amendment 182. Employee shareholder schemes allow employees to become a shareholder in the company by which they are employed by giving up some statutory employment rights in exchange for free shares issued by the employer. As the Chancellor helpfully explained in 2012:

“You the company: give your employees shares in the business. You the employee: replace your old rights of unfair dismissal and redundancy with new rights of ownership. And what will the government do? We'll charge no capital gains tax at all on the profit you make on your shares. Zero percent capital gains tax for these new employee-owners. Get shares and become owners of the company you work for.”

Under the current law, the tax treatment is that the first £2,000 of free shares received by the employee shareholder are free of income tax and national insurance. Gains on the first £50,000 of shares received are free of capital gains tax when sold. Clause 77 places a lifetime limit of £100,000 on the capital gains tax exempt gains that a person can make on the disposal of shares acquired under employee shareholder agreements entered into after 16 March 2016.

Now, I must be clear that the Opposition do not like employee shareholder schemes one bit. Giving up one's statutory employment rights is certainly a red line for me and the Opposition. However, we welcome this specific clause and the imposition of a lifetime limit. Frankly, we are amazed that it has taken so long seeing as how the scheme has been labelled “the best tax wheeze in town”.

Given the mounting evidence to suggest that the scheme is being misused for tax avoidance purposes, we question whether a £100,000 limit is too high. Amendment 182 proposes reducing it to £50,000. I hope the Minister will heed my concerns about the schemes, and I look forward to his response. Again, I do not want to divide the House on this matter tonight, but I hope that the Government will address my points.

Clause 78 is an anti-avoidance measure designed to prevent investment managers from converting their management fees and carried interest into an exempt gain for capital gains tax purposes. The clause prevents the employee shareholder scheme capital gains tax exemption from applying if the relevant disposal is not compliant with a new test introduced in clauses 36 and 37. We support this measure.

Clauses 79 to 81 make some minor changes to the capital gains tax regime for non-residents disposing of UK residential property. The first corrects a technical error, removing a potential double charge, and the second provides two circumstances when a non-resident's capital gains tax return is not required. The last simply amends the Provisional Collection of Taxes Act 1968 to include capital gains tax. I have no issues with those clauses, and we will support them.

New clause 2, tabled by the hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin) would specifically require the Chancellor to conduct a review of the ways in which the law could be amended to ensure that no element of the remuneration paid to an investment fund manager may be treated as a capital gain, and that such remuneration shall be treated, for tax purposes, wholly as income. We welcome that suggestion and we will support it if Scottish National party Members push it to a vote.

We are supportive of most of the measures up for discussion in this group of clauses, but I hope that the Minister will take account of the Opposition's concerns that I have outlined about the entrepreneurs relief, investors relief and employee shareholder schemes. However, what we cannot support is such a huge, huge tax giveaway
for the wealthiest in society with this cut to capital gains tax while our communities are completely starved of investment. We will therefore oppose clause 72.

Roger Mullin: I welcome the hon. Member for Salford and Eccles (Rebecca Long Bailey) to her new post. If I recall correctly, one of the first debates that we took part in together was about that very important topic of whisky. It is appropriate that I mention that given the Minister’s condition.

Rob Marris: It was not from drinking whisky.

Roger Mullin: No, I know, but perhaps the Minister could take a few drams to relieve the pain. I certainly think that he deserves it given what he has put himself through over the past couple of days.

May I also say to the hon. Lady that we on the SNP Benches agree with everything that she has argued? I am delighted to say that we will be supporting her opposition to clause 72.

Rob Marris: That was a short speech.

Roger Mullin: It is not quite as short as that.

I want to speak to new clause 2, which is in my name, and I will begin with a quote that I have used before in this House:

“I was shocked to see that some of the very wealthiest people in the country have organised their tax affairs, and to be fair it’s within the tax laws, so that they were regularly paying virtually no income tax. And I don’t think that’s right.”

I entirely agreed with the Chancellor of the Exchequer when he said that in April 2012. That is precisely why we are bringing this new clause to the Floor of the House today. Many people in remunerated employment, working hard every day of the week, will be surprised to learn that the managing director of an average European firm can expect to receive around £8 million in remuneration. Private equity fund managers are able to shrink their bills by paying, as we have heard, only 28% of income tax—through income tax. A fund manager’s ability to pay capital gains instead of income tax allows them to avoid paying national insurance, and therefore they should be taxed in the same way that other people are taxed—through income tax.

A fund manager’s ability to pay capital gains instead of income tax allows them to avoid paying national insurance on part of their income. I am well aware of the Minister’s technical explanations about why we are dealing with a different form of gain. However, that does not wash with people in society who are undertaking their work in most other occupations in life. The Government yesterday indicated that they were content to squeeze yet more money out of the contractor sector, affecting teachers, nurses, people in rural communities and the like. These are not the people who are aggressively avoiding tax. The people who are aggressively avoiding tax are people working in the City of London. They are avoiding paying the income tax that the rest of the people in society are quite happy to comply with.

The loopholes that continue are simply an example of the over-complication of our tax system, a matter that has been referred to by hon. Members on both sides of the House. As we look at the thousands upon thousands of pieces of paper in the tax code, it is clear that the bigger we make it the more we create the possibility of loopholes. Surely the time has come for a more fundamental review of all forms of business taxation, a matter that I know the hon. Member for East Antrim (Sammy Wilson) has raised in the past.

Indeed, some of the people gaining considerable sums of money have great sympathy with this. I would like to quote not some of the campaigners but one of the highest-paid people in the country, the head of the private equity firm Cerberus, Stephen Feinberg. He said in 2011, tellingly:

“In general, I think that all of us are way overpaid in this business. It is almost embarrassing.”

I do not think that we should allow this gentleman, the head of an investment fund, and others to be embarrassed any more. I think we should end their embarrassment by making sure that in the future they pay appropriate levels of income tax.

We also find ourselves in agreement with the OECD, which in May 2014 recommended in its position on tax “taxing as ordinary income all remuneration, including fringe benefits, carried interest arrangements, and stock options”, and that this should be paid as income tax.

We have evidence not just from campaigners but from people in the City who admit that this is an anomaly that needs closing, so I ask the Minister to give further consideration to this important move. I would also say in general that we welcome quite a lot of the technical changes that have been made on investment, entrepreneurs relief and the like. We want to encourage an entrepreneurial economy, but not at the cost of heightening income inequality and of further division in society.

Mr Gauke: I shall be relatively brief in responding to the debate. I addressed one of the issues that we have debated in my fairly lengthy remarks earlier and there is also a certain sense that these are issues we have debated in the past. I certainly remember debating the issue of carried interest with the hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin) in last year’s Finance Bill. He made very similar points and I am inclined to make very similar points in response, so I will not necessarily run through all that once again. I remind the hon. Gentleman that where we are talking about remuneration that is income, we are determined to ensure that it is taxed as income. As a Government we have shown a willingness to make changes in this area.

Let me turn to the wider issues of capital gains tax and yet again welcome the hon. Member for Salford and Eccles (Rebecca Long Bailey) to her position. I wish her a long and distinguished period as shadow Chief Secretary, given that I understand that there might be uncertainty more generally on the Labour Front Bench. It is extremely important that our tax system is competitive and encourages investment, which will drive our economy forward in the future. A number of external bodies have welcomed the steps that we have taken in reducing CGT rates. The CBI and the Institute of Economic Affairs have welcomed these cuts as means to encouraging entrepreneurship and growth. A number of internal studies indicate that lower rates of CGT support equity investment in firms and promote higher-quality investment in start-ups. That is an important source of innovation and growth.
5.15 pm

I do not accept the hon. Lady’s criticism that this is somehow just a tax cut for the wealthy. These changes will encourage wider public involvement in investment opportunities and help companies to expand and create jobs. By retaining the 18% and 28% rates for residential property, the Government are encouraging investment in shares, rather than property, thus giving the British economy a boost at a time of global uncertainty. At 20%, the CGT rate paid by higher rate taxpayers is still two percentage points higher than under the last Labour Government. For residential property and carried interest, the rate is 10 percentage points higher.

David Rutley: I am sorry that my hon. Friend is in so much pain when he stands up.

I am surprised by some of the things said in this debate. We all recognise the importance of enterprise and of encouraging further enterprise, particularly in the northern powerhouse, as the hon. Member for Salford and Eccles (Rebecca Long Bailey) recognised. We can achieve the aim of encouraging enterprise by using exactly the mechanism that my hon. Friend talks about. Does he agree that that is why the bodies he mentions have made this proposal? It will make a material difference to our enterprising spirit and economic growth.

Mr Gauke: My hon. Friend makes an excellent point. We must create wealth in this country to be a successful economy. We need to have an entrepreneurial and dynamic economy. He made this point earlier in the context of corporation tax, but similar arguments can be made in the context of CGT as well.

On the criticism that entrepreneurs relief is badly targeted, I argue that, of course, as with all tax reliefs, it is entirely appropriate that the Government keep it under review to ensure that it is well targeted and not open to abuse, but we believe that it is right to incentivise individuals to set up and expand their businesses. Entrepreneurs relief plays an important part in our pro-growth agenda. It is a highly popular and widely used relief, which supports about 40,000 entrepreneurs a year, according to our latest data. We do not believe that this support should be withdrawn. The latest published cost of entrepreneurs relief is £3 billion, but that is a static figure; the true cost will be different, due to potential changes in the disposals and behavioural change. That behavioural change is very important. On when the data for 2014-15 will be released, these statistics are published annually, and the new release is due in October 2016.

On rates going up and down, let me point out that the 28% higher rate of CGT was introduced in 2010, by the coalition Government, and this is the first change since then. The Government have published the “Business tax road map”, setting out plans for business taxes over the entire Parliament and providing some certainty and stability to businesses.

On the argument that employee shareholder status should be withdrawn, we believe that ESS provides vital flexibility for early-stage firms and that it is right that employee shareholders receive tax benefits on shares awarded in exchange for relinquishing certain employment rights. The purpose of the lifetime limit is to ensure that small firms can offer attractive tax benefits to employees, while ensuring that the benefits are proportionate and fair.

I hope that, with those remarks, I can seek to dissuade the Labour party from voting against the reductions in CGT and the SNP from pressing its amendment to a vote, but if I have been unsuccessful in persuading them not to do so, I urge my right hon. and hon. Friends not to support such measures.

Question put. That the clause stand part of the Bill.

The Committee divided: Ayes 308, Noes 264.

Division No. 28] [5.20 pm

AYES

Adams, Nigel
Adeyje, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Ansell, Caroline
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Barwell, Gavin
Bebb, Guto
Bellingham, Sir Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Berry, James
Bingham, Andrew
Blackman, Bob
Blackwood, Nicola
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Borwick, Victoria
Bottomley, Sir Peter
Bradley, Karen
Brazier, Mr Julian
Bridge, Andrew
Brine, Steve
Brookes, rh James
Bruce, Fiona
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burrows, Mr David
Burt, rh Alistair
Cairns, rh Alun
Carmichael, Neil
Cartidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Clare, rh Mr Kenneth
Cleverly, Jamie
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian

AYES

Colville, Oliver
Costa, Alberto
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Dr James
Davies, Mims
Dinenage, Caroline
Djanogly, Mr Jonathan
Donelan, Michelle
Dorries, Nadine
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duncan, rh Sir Alan
Duncan Smith, rh Mr lain
Dunne, Mr Philip
Elliot, Tom
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evennett, rh Mr David
Fallon, rh Michael
Fernandes, Suelia
Field, rh Mark
Foster, Kevin
Fox, rh Dr Liam
Frances, rh Mr Mark
Frazier, Lucy
Freeman, George
Freer, Mike
Fuller, Richard
Fysh, Marcus
Garnier, rh Sir Edward
Garnier, Mark
Gauke, Mr David
Ghani, Nusrat
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
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<td>Hayes, rh Mr John</td>
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<td>Math, rh Mrs Theresa</td>
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<td>McLoughlin, rh Mr Patrick</td>
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<td>Mills, Nigel</td>
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<td>Mordaunt, Penny</td>
<td>Morgan, rh Nicky</td>
<td>Morris, Anne Marie</td>
<td>Morris, David</td>
<td>Morris, James</td>
<td>Morton, Wendy</td>
</tr>
</tbody>
</table>

**Tellers for the Ayes:**
Sarah Newton and Simon Kirby

**NOES**

| Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name | Member Name |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Abbott, Ms Diane | Abrahams, Debbie | Ahmed-Shiekh, Ms Tasmina | Alexander, Heidi | Ali, Rushanara | Allen, Mr Graham | Alin-Khan, Dr Rosena | Arkless, Richard | Ashworth, Jonathan | Austin, Ian | Bailey, Mr Adrian | Bardell, Hannah | Barron, rh Kevin | Beckett, rh Margaret | Benn, rh Hilary | Berger, Luciana | Black, Mhairi | Blackford, Ian | Blackman-Kirby, Kirsty | Blackman-Woods, Dr Roberta | Blenkinsop, Tom | Blomfield, Paul | Boswell, Philip | Bradshaw, rh Mr Ben | Brennan, Kevin | Brock, Deidre | Brown, Alan | Brown, Lyn | Brown, rh Mr Nicholas | Buck, Ms Karen | Burden, Richard | Burgon, Richard | Butler, Dawn | Byrne, rh Liam | Cadbury, Ruth | Cameron, Dr Lisa | Campbell, rh Mr Alan | Campbell, Mr Ronnie | Carmichael, rh Mr Alistair | Champion, Sarah | Chapman, Douglas | Cherry, Joanna | Clwyd, rh Ann | Coaker, Vernon | Coffey, Ann | Cooper, Julie | Cooper, Rosie | Cooper, rh Yvette | Corbyn, rh Jeremy | Cowan, Ronnie | Coyle, Neil | Crawley, Angela | Creasy, Stella |Crudidas, Jon | Cryer, John | Cummins, Judith | Cunningham, Alex | Cunningham, Mr Jim | Dakin, Nic | Danczuk, Simon | David, Wayne | Davies, Geraint | Day, Martyn | De Piero, Gloria | Docherty-Hughes, Martin | Dodds, rh Mr Nigel | Donaldson, rh Sir Jeffrey M. | Doughty, Stephen | Dowd, Jim | Dowd, Peter | Dromey, Jack | Durkan, Mark | Eagle, Ms Angela | Edwards, Jonathan | Efford, Olive | Elliott, Julie | Elman, Mrs Louise | Elmore, Chris | Esterson, Bill | Evans, Chris |
Question accordingly agreed to.  
Clause 72 ordered to stand part of the Bill.  
Schedules 11 and 12 agreed to.

Clause 73

ENTREPRENEURS’ RELIEF: ASSOCIATED RELIEF

Amendment 31, page 132, line 10, leave out subsections (3) and (4).  
Amendment 32, page 132, leave out line 23 and insert—

“(1AA) Condition A1A is that P makes a material disposal of business assets which consists of the disposal of the whole of P’s interest in the assets of a partnership, and—

(a) that interest is an interest of less than 5%,
(b) P holds at least a 5% interest in the partnership’s assets throughout a continuous period of at least 3 years in the 8 years ending with the date of the disposal, and
(c) at the date of the disposal, no partnership purchase arrangements exist.

(1AB) Subject to subsection (6A), for the purposes of conditions A1 and A1A.”.

Amendment 33, page 132, line 42, leave out “ZA1 or A1A,” and insert “after “A1,” insert “A1A,””.  
Amendment 34, page 132, line 27, leave out “this section” and insert “subsections (2)(a), (3) to (10) and (12) to (14)”.

Amendment 35, page 132, line 28, at end insert—

“( ) The amendments made by subsections (2)(b) and (11) have effect in relation to disposals of assets which are acquired on or after 13 June 2016.”—(Mr Gauke.)

Clause 73, as amended, ordered to stand part of the Bill.  
Clauses 74 and 75 ordered to stand part of the Bill.
Schedule 13
ENTREPRENEURS’ RELIEF: “TRADING COMPANY” AND “TRADING GROUP”
Amendments made: 36, page 413, line 30, leave out “omit subsection (4A)” and insert “subsection (4A) is treated as never having had effect, and is omitted accordingly”.
Amendment 37, page 421, line 30, after “Schedule” insert “(except paragraph 3)”. Amendment 38, page 421, line 31, at end insert “, but only for the purposes of determining what is a trading company or trading group at times on or after that date.
(2) In conditions B and D in section 169I of TCGA 1992 (material disposal of business assets)—
(a) a reference to a company ceasing to be a trading company does not include a case where, as a result of the coming into force of the amendments made by this Schedule, a company which was a trading company immediately before 18 March 2015 is treated as ceasing on that day to be a trading company, and
(b) a reference to a company ceasing to be a member of a trading group does not include a case where, as a result of the coming into force of the amendments made by this Schedule, a company which was a member of a trading group immediately before 18 March 2015 is treated as ceasing on that day to be a member of a trading group.
(3) Sub-paragraph (2) is without prejudice to the operation of section 43(4) of FA 2015.—(Mr Gauke.)
Schedule 13, as amended, agreed to.
Clause 76 ordered to stand part of the Bill.
Schedule 14
INVESTORS’ RELIEF
Amendments made: 39, page 422, line 7, after second “of” insert “(and disposals of interests in)”. Amendment 40, page 422, leave out lines 18 and 19 and insert—
“(6) Sections 169VGA and 169VGB make provision about disposals by trustees of a settlement.
(6A) Section 169VGC makes provision about disposals of interests in shares.
(6B) Sections 169VGD and 169VGE provide for a cap on the amount of investors’ relief that can be claimed.
(6C) Section 169VGF makes provision about claims for investors’ relief.”
Amendment 41, page 422, line 27, after second “of” insert “(or of an interest in)”. Amendment 42, page 423, leave out lines 11 to 14 and insert—
“(g) at no time in the share-holding period was the investor or a person connected with the investor a relevant employee in respect of that company (within the meaning given by section 169VQA), and”
Amendment 43, page 424, leave out line 8 and insert—
“(4) In this section—
(a) subsection (1) is subject to section 169VGA (disposals by trustees of a settlement: further conditions for relief), and
(b) subsection (2) is subject to—
section 169VGB (reduction of relief for certain disposals by trustees of a settlement), and
sections 169VGD and 169VGE (cap on investors’ relief).”
Amendment 44, page 424, leave out lines 14 and 15 and insert—
“(6) For the application of this section to disposals of interests in shares, see section 169VGC.
(7) In this Chapter a “qualifying person” means—
(a) an individual, or
(b) the trustees of a settlement.”
Amendment 45, page 424, line 29, leave out from “shares” to “and” in line 30 and insert “found under subsection (4),”.
Amendment 46, page 424, line 31, leave out “that disposal,” and insert “the disposal concerned.”
Amendment 47, page 424, line 32, leave out from “The” to end of line 33 and insert “number of qualifying shares found under this subsection is—”. Amendment 48, page 424, line 35, leave out “disposal,” and insert “disposal concerned,”.
Amendment 49, page 424, line 41, leave out “169VC(1)” and insert “169VC(1)(a)”.
Amendment 50, page 425, line 1, leave out “by the qualifying person”.
Amendment 51, page 426, line 44, leave out from beginning to end of line 13 on page 427 and insert—
“169VGA Disposals by trustees: further conditions for relief
(1) Where a disposal falling within section 169VC(1)(a) and (b) is made by the trustees of a settlement, section 169VGC does not apply to the disposal unless there is at least one individual who is an eligible beneficiary in respect of the disposal.
(2) For the purposes of this section, an individual is an “eligible beneficiary in respect of the disposal if—
(a) at the time immediately before the disposal, the individual has had such an interest in possession under the settlement throughout the period of 3 years ending with the date of the disposal,
(b) the individual has had such an interest in possession under the settlement from the time of the disposal to the time of the claim under section 169VQA, and
(c) at no time in that period has the individual been a relevant employee in respect of the company that issued the shares (within the meaning given by section 169VQA), and
(d) the individual has (by the time of the claim under section 169VC in respect of the disposal) elected to be treated as an eligible beneficiary in respect of the disposal.
(3) For the purposes of subsection (2)(d), an individual elects to be treated as an eligible beneficiary in respect of a disposal if the individual tells the trustees (by whatever means) that he or she wishes to be so treated; and an election under subsection (2)(d) may be withdrawn by the individual at any time until the claim is made.
(4) In this section “interest in possession” does not include an interest in possession for a fixed term.
(5) In relation to a disposal made by the trustees of a settlement, any reference in section 169VBC(2)(g) to the investor is to be read as a reference to any trustee of the settlement.
169VGB Disposals by trustees: relief reduced in certain cases
(1) Subsection (2) applies where—
(a) a disposal falling within section 169VC(1)(a) and (b) is made by the trustees of a settlement,
(b) section 169VC applies to the disposal by reason of there being at least one individual who is an eligible beneficiary in respect of the disposal (see section 169VGA), and

(c) at the time immediately before the disposal, there are two or more persons each of whom has under the settlement an interest in possession in the settled property.

(2) In such a case the reference in section 169VC(2) to the relevant gain is to be read as a reference—

(a) to the eligible beneficiary's share of the relevant gain (see subsections (3) to (6)), or

(b) if there is more than one individual who is an eligible beneficiary in respect of the disposal, to so much of the relevant gain as is equal to the aggregate of the eligible beneficiaries' shares of that gain.

(3) In this section—

“eligible beneficiary” has the meaning given by section 169VGA(2);

“relevant gain” has the meaning given by section 169VC(3);

“the settled property” means settled property that includes or consists of the holding of shares mentioned in section 169VC(1).

(4) Subsection (5) applies to determine for the purposes of this Chapter, in relation to any individual who is an eligible beneficiary in respect of a disposal within section 169VC(1) made by the trustees of a settlement, that individual's share of the relevant gain.

(5) That individual's share of the relevant gain on the disposal is so much of the relevant gain on the disposal as bears to the whole of that gain the same proportion as X bears to Y, where—

X is the interest in possession (other than for a fixed term) which, at the time immediately before the disposal, that individual has under the settlement in the income from the holding of shares mentioned in section 169VC(1), and

Y is all the interests in that income that persons (including that individual) with interests in possession in that holding have under the settlement at that time.

169VGC Disposals of interests in shares: joint holdings etc

(1) In section 169VC(1)(a), the reference to the case where a qualifying person disposes of a holding, or part of a holding, of shares in a company includes the case where a qualifying person disposes of an interest in a relevant holding.

(2) In this section a “relevant holding” means either—

(a) a number of shares in a company which are of the same class and were acquired in the same capacity jointly by the same two or more persons including the qualifying person, or

(b) a number of shares in a company which are of the same class and were acquired in the same capacity by the qualifying person solely.

(3) In this section—

(a) “an interest” in a relevant holding means any interests of the qualifying person, in any of the shares in the relevant holding, which are by virtue of section 104 to be regarded as a single asset, and

(b) references to an interest include part of an interest.

(4) Where section 169VC(1) applies by reason of this section, section 169VD(3) and (4) have effect as if any reference to the number of shares disposed of were a reference to the number of shares an interest in which is disposed of.

(5) In relation to a disposal by the trustees of a settlement of an interest in a relevant holding falling within subsection (2)(a), sections 169VGA(2) and 169VGB(3) and (5) have effect as if any reference to the holding of shares mentioned in section 169VC(1) were to the interest disposed of.

(6) In accordance with subsection (1)—

(a) in sections 169VI(1)(d), 169VK(1)(d) and 169VN(1)(d) (reorganisations), any reference to a disposal of all or part of a holding includes a disposal by the qualifying person of an interest in the holding, and

(b) the reference in section 169VO(2) to a disposal of the original shares is to be read, in relation to a case where the original shares fall within subsection (2)(a) above, as a reference to a disposal of the qualifying person's interest in those shares.

169VGD Cap on relief for disposal by an individual

(1) This section applies if, on a disposal within section 169VC(1) made by an individual (“the individual concerned”), the aggregate of—

(a) the amount of the relevant gain on the disposal (“the gain in question”),

(b) the total amount of any gains that, in relation to earlier disposals by the individual concerned, were charged at the rate in section 169VC(2), and

(c) the total amount of any reckonable trust gains that, on any previous trust disposals in respect of which the individual concerned was an eligible beneficiary, were charged at the rate in section 169VC(2),

exceeds £10 million.

(2) The rate in section 169VC(2) applies only to so much (if any) of the gain in question as, when added to the aggregate of the total amounts mentioned in subsection (1)(b) and (c), does not exceed £10 million.

(3) Section 4 (rates of capital gains tax) applies to so much of the gain in question as is not subject to the rate in section 169VC(2).

(4) In this section—

“eligible beneficiary”, in relation to a disposal, is to be read in accordance with section 169VGA(2);

“reckonable trust gain”, in relation to a trust disposal in respect of which the individual concerned was an eligible beneficiary, means—

(a) if section 169VGB(1)(c) applied in relation to the disposal, that individual's share of the relevant gain on that disposal, within the meaning given by section 169VGB(4) and (5); and

(b) otherwise, the relevant gain on that disposal;

“the relevant gain”, in relation to a disposal, has the meaning given by section 169VC(3);

“trust disposal” means a disposal by the trustees of a settlement.

169VGE Cap on relief for disposal by trustees of a settlement

(1) This section applies where—

(a) a disposal (“the disposal in question”) is made by the trustees of a settlement,

(b) that disposal is within section 169VC(1), and

(c) there is an excess amount in relation to an individual who is an eligible beneficiary in respect of the disposal in question (“the individual concerned”).

(2) For the purposes of this section there is an “excess amount” in relation to the individual concerned if the aggregate of—

(a) the amount of the current gain,

(b) the total amount of any gains that, in relation to earlier disposals made by the individual concerned, were charged at the rate in section 169VC(2), and

(c) the total amount of any reckonable trust gains that, on any previous trust disposals in respect of which the individual concerned was an eligible beneficiary, were charged at the rate in section 169VC(2),

exceeds £10 million.

(3) The rate in section 169VC(2) applies to the current gain only to the extent (if any) that the current gain when added to the aggregate of the total amounts mentioned in subsection (2)(b) and (c) does not exceed £10 million.
(4) Section 4 (rates of capital gains tax) applies to so much of the current gain as is not subject to the rate in section 169VC(2).

(5) In this section—
- “the current gain” means the reckonable trust gain on the disposal in question;
- “eligible beneficiary”, in relation to a disposal, is to be read in accordance with section 169VGA(2);
- “reckonable trust gain”, in relation to any trust disposal in respect of which the individual concerned is an eligible beneficiary, means—
  (a) if section 169VGB(1)(c) applies in relation to the disposal, that individual’s share of the relevant gain on that disposal, within the meaning given by section 169VGB(4) and (5);
  (b) otherwise, the relevant gain on that disposal;
- “the relevant gain”, in relation to a disposal, has the meaning given by section 169VC(3);
- “trust disposal” means a disposal by the trustees of a settlement.

169VGF Claims for relief

(1) Any claim for investors’ relief must be made—
- (a) in the case of a disposal by an individual, by that individual;
- (b) in the case of a disposal by the trustees of a settlement, jointly by—
  (i) the trustees, and
  (ii) the eligible beneficiary in respect of the disposal, within the meaning given by section 169VGA(2) (or, if more than one, all those eligible beneficiaries).

(2) Any claim for investors’ relief in respect of a disposal must be made on or before the first anniversary of the 31 January following the tax year in which the disposal is made.

Amendment 52, page 430, line 28, leave out from “in” to end of line 29 and insert
“an exchange of shares treated under section 169VL or 169VM as a reorganisation of share capital.”.

Amendment 53, page 430, line 33, leave out “reorganisation or”.

Amendment 54, page 430, line 39 , leave out “reorganisation or”.

Amendment 55, page 430, line 42, leave out “reorganisation or”.

Amendment 56, page 430, line 45, at end insert—
“(2A) Accordingly—
- (a) in section 169VB(2)(f) and (g) as they apply to the original share, any reference to the share-holding period is to be read as to the period mentioned in subsection (2)(a) above, and
- (b) in section 169VB(2)(f) and (g) as they apply to a share representing the original share, any reference to the share-holding period is to be read as to the period mentioned in subsection (2)(b) above.”

Amendment 57, page 431, line 1, leave out “subsection (2) applies” and insert
“subsections (2) and (2A) apply”.

Amendment 58, page 431, leave out lines 16 and 17 and insert—
“(3) Any election under this section must be made—
- (a) if the reorganisation or exchange of shares would (apart from section 127) involve a disposal by the trustees of a settlement, jointly by—
  (i) the trustees, and
  (ii) the person who if the disposal were made would be the eligible beneficiary in respect of the disposal, within the meaning given by section 169VGA(2) (or, if more than one, all the persons who would be such eligible beneficiaries);
- (b) otherwise, by the individual concerned.”

Amendment 59, page 431, line 32, leave out from “of” to “and” in line 34 and insert
“arrangements the main purpose, or one of the main purposes, of which is to secure a tax advantage to any person,”.

Amendment 60, page 431, line 36, at end insert—
“(5) In subsection (1) “arrangements” and “tax advantage” have the same meaning as in section 16A.

Amendment 61, page 432, line 3, at end insert—
“(6) In this Chapter, apart from subsections (2) and (3), references to a person’s having subscribed for a share include the person’s having subscribed for the share jointly with any other person (and references to a person’s holding a share or to a share being issued to a person are to be read accordingly).”

Amendment 62, page 432, line 23, at end insert—
“169VQA “Relevant employee”

(1) This section applies to determine for the purposes of—
- (a) section 169VBI(2)(g), or
- (b) section 169VGA(2),

whether a particular person has at any time in the relevant period been a “relevant employee” in respect of the issuing company.

(2) A person who has at any time in the relevant period been an officer or employee of—
- (a) the issuing company, or
- (b) a connected company,
is to be regarded as having at that time been a relevant employee in respect of the issuing company, but this is subject to subsections (3) and (5).

(3) If—
- (a) a person is an unremunerated director of the issuing company or a connected company at any time in the relevant period, and
- (b) the condition in subsection (4) is met,
the fact that the person holds that directorship at that time does not make the person a relevant employee in respect of the issuing company at that time.

(4) The condition referred to in subsection (3) is that at no time before the relevant period had the person mentioned in that subsection, or a person connected with that person, been—
- (a) connected with the issuing company, or
- (b) involved in carrying on (whether on the person’s own account or as a partner, director or employee) the whole or any part of the trade, business or profession carried on by the issuing company or a company connected with that company.

(5) If—
- (a) a person becomes an employee of the issuing company or a connected company at a time which is—
  (i) within the relevant period, but
  (ii) not within the first 180 days of that period,
- (b) at the beginning of the relevant period, there was no reasonable prospect that the person would become such an employee within the relevant period, and
- (c) the person is not at any time in the relevant period a director of the issuing company or a connected company,

that employment of the person does not make the person a relevant employee in respect of the issuing company at any time in the relevant period.

(6) For the purposes of subsection (5) there is a “reasonable prospect” of a thing if it is more likely than not.

(7) In this section—
- “director” is to be read in accordance with section 452 of CTA 2010,
- “connected company” means a company which at any time in the relevant period is connected with the issuing company (and it does not matter for this
purpose whether that time is a time when the person in question is an officer or employee of either company; “the issuing company” means the company mentioned in (as the case may be) section 169VB(2)(g) or 169VGA(2)(c); “the relevant period” means the period mentioned in (as the case may be) section 169VB(2)(g) or section 169VGA(2)(c); “unremunerated director” has the meaning given by section 169VQB.

169VQB “Unremunerated director”

(1) For the purposes of section 169VQA a person (“the person concerned”) is an “unremunerated director” of the issuing company or a connected company at a particular time in the relevant period if that person is a director of that company at that time and—

(a) does not receive in the relevant period any disqualifying payment from the issuing company or a related person, and
(b) is not entitled to receive any such payment in respect of that period or any part of it.

(2) In this section “disqualifying payment” means any payment other than—

(a) a payment or reimbursement of travelling or other expenses wholly, exclusively and necessarily incurred by the person concerned in the performance of his or her duties as a director,
(b) any interest which represents no more than a reasonable commercial return on money lent to the issuing company or a related person,
(c) any dividend or other distribution which does not exceed a normal return on the investment to which the dividend or distribution relates,
(d) any payment for the supply of goods which does not exceed their market value,
(e) any payment of rent for any property occupied by the person concerned in the performance of his or her duties as a director, or
(f) any necessary and reasonable remuneration which is—

(i) paid for qualifying services that are provided to the issuing company or a related person in the course of a trade or profession carried on wholly or partly in the United Kingdom, and
(ii) taken into account in calculating for tax purposes the profits of that trade or profession.

(3) In this section a “related person” means—

(a) a connected company of which the person concerned is a director, or
(b) any person connected with the issuing company or with a company within paragraph (a).

(4) In this section any reference to a payment to the person concerned includes a payment made to that person indirectly or to that person’s order or for that person’s benefit.

(5) In this section “qualifying services” means services which are—

(a) not secretarial or managerial services, and
(b) not services of a kind provided by the person to whom they are provided.

(6) In this section the following expressions have the same meaning as in section 169VQA—

“connected company”;
“director”;
“issuing company”;
“relevant period”.

Amendment 63, page 432, line 25, at end insert—

““employee” (except in the expression “relevant employee”, which is to be read in accordance with section 169QVA) has the meaning given by section 4 of ITEPA 2003;”

Amendment 64, page 432, line 38, leave out “169VC(6)” and insert “169VC(7)”.

Amendments 65, page 433, line 7, at end insert “on a particular date”.

Amendment 66, page 433, line 30, after “((b))” insert “in relation to the shares”. Amendment 67, page 433, line 31, at end insert “in relation to them”.

Amendment 68, page 433, line 37, at beginning insert “In sub-paragraphs (3) and (4) and”.—(Mr Gauke.)

Schedule 14, as amended, agreed to.

 Clause 77

EMPLOYEE SHAREHOLDER SHARES: LIMIT ON EXEMPTION

Amendment made: 184, page 135, line 31, at end insert—

“(3A) Section 236F of TCGA 1992 (reorganisation of share capital involving employee shareholder shares) is amended in accordance with subsections (3B) and (3C).

(3B) After subsection (1) insert—

(1A) Subsection (1B) applies where—

(a) an exempt employee shareholder share (“the original EES share”) is held by a person (“P”) before, and is concerned in, a reorganisation, and
(b) the original EES share is disposed of on the reorganisation.

(1B) P is to be treated as if the original EES share were disposed of for consideration of an amount determined in accordance with subsections (1D) to (1H) (the “relevant amount”).

(1C) In this section “notional gain” means the gain, if any, that would accrue to P if the original EES share were disposed of on the reorganisation for consideration of an amount equal to the market value of the share.

(1D) Subsections (1E) to (1G) apply where a notional gain would accrue to P on the disposal of the original EES share.

(1E) Where the whole of the notional gain would be a chargeable gain by virtue of section 236B(1A), the relevant amount is the amount that would secure that on the disposal neither a gain nor a loss would accrue to P.

(1F) Where part (but not the whole) of the notional gain would be a chargeable gain by virtue of section 236B(1A), the relevant amount is the maximum amount, not exceeding the market value of the share, that would secure that on the disposal no chargeable gain would accrue to P.

(1G) Where no part of the notional gain would be a chargeable gain by virtue of section 236B(1A), the relevant amount is equal to the market value of the original EES share at the time of the disposal.

(1H) Where no notional gain would accrue to P on the disposal of the original EES share, the relevant amount is the amount that would secure that on the disposal neither a gain nor a loss would accrue to P.

(1I) In determining for the purposes of this section whether any part of a notional gain is a chargeable gain by virtue of section 236B(1A), subsection (1B) is to be disregarded.
(1J) Where more than one original EES share is disposed of by P on a reorganisation, references in this section to the disposal of the original EES share are to be treated as references to the disposal of all of the original EES shares disposed of on the reorganisation.

(1K) In this section “reorganisation” has the same meaning as in section 127.

(3C) In subsection (2) for “reference in subsection (1) to section 127 includes” substitute “references in this section to section 127 include”.—(Mr Gauke.)

Clause 77, as amended, ordered to stand part of the Bill.

Clauses 78 to 81 ordered to stand part of the Bill.

New Clause 2

REVIEW OF REMUNERATION OF INVESTMENT FUND MANAGERS

“The Chancellor of the Exchequer must commission a review of ways in which the law could be amended to ensure that no element of the remuneration paid to an investment fund manager may be treated as a capital gain, and that such remuneration shall be treated for tax purposes wholly as income, and must publish the report of the review within six months of the passing of this Act.”—(Roger Mullin.)

Brought up, and read the First time.

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

The Committee divided: Ayes 259, Noes 315.

Division No. 29] [5.38 pm

AYES

Abbott, Ms Diane
Ahmed-Sheikh, Ms Tasmina
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Allin-Khan, Dr Rosena
Anderson, Mr David
Arkless, Richard
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Danielle
Barron, r Kevin
Beckett, rh Margaret
Benn, rh Hilary
Berger, Luciana
Belts, Mr Clive
Black, Mhairi
Blackford, Ian
Blackman, Kirsty
Blackman-Woods, Dr Roberta
Blenkinsop, Tom
Blomfield, Paul
Boswell, Philip
Bradshaw, rh Mr Ben
Brennan, Kevin
Brook, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Buck, Ms Karen
Burden, Richard
Butler, Richard
Byrne, rh Liam

Eagle, Ms Angela
Efford, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Ferrier, Margaret
Fitzpatrick, Jim
Fielfio, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Foxcroft, Vicky
Gapes, Mike
Gardiner, Barry
Gethins, Stephen
Gibson, Patricia
Glass, Pat
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Liilan
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hanson, rh Mr David
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendrick, Mr Mark
Hendy, Drew
Hepburn, Mr Stephen
Hiller, Meg
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hollem, Kate
Hopkins, Kelvin
Hosie, Stewart
Hunt, Tristram
Hug, Dr Rupa
Hussain, Imran
Johnson, rh Alan
Johnson, Diana
Jones, Gerald
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Kerevan, George
Kerr, Calum
Kinnock, Stephen
Kyle, Peter
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Leslie, Chris
Lewell-Buck, Mrs Emma
Long Bailey, Rebecca
Lucas, Caroline

Lynch, Holly
MacNeil, Mr Angus Brendan
Mactaggart, rh Fiona
Madders, Justin
Mahmod, Mr Khalid
Malhotra, Seema
Mann, John
Marris, Rob
Marsden, Mr Gordon
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCaig, Callum
McCarthy, Kerry
McDonagh, Siobhain
McDonald, Andy
McDonald, Steward Malcolm
McDonald, Stuart C.
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGarry, Natalie
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McMahon, Jim
Meale, Sir Alan
Mears, Ian
Miliband, rh Edward
Monaghan, Carol
Monaghan, Dr Paul
Moon, Mrs Madeleine
Morden, Jessica
Morris, Grahame M.
Mulholland, Greg
Mullin, Roger
Murray, Ian
Nandy, Lisa
Newlands, Gavin
Nicolson, John
O’Hara, Brendan
Onwurah, Chi
Osamor, Kate
Owen, Albert
Paterson, Steven
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Pound, Stephen
Powell, Lucy
Pugh, John
Qureshi, Yasmin
Rayner, Angela
Reed, Mr Jamie
Reed, Mr Steve
Rees, Christina
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Rimmer, Marie
Ritchie, Ms Margaret
Robertson, rh Angus
Robinson, Mr Geoffrey
Rotheram, Steve
Ryan, rh Joan
Saville Roberts, Liz
Shah, Naz
Sharma, Mr Virendra
Sheerman, Mr Barry
Tellers for the Ayes:
Marion Fellows and Owen Thompson

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Ansell, Caroline
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Barwell, Gavin
Bebb, Guto
Bellingham, Sir Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Berry, James
Bingham, Andrew
Blackman, Bob
Blackwood, Nicola
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Borwick, Victoria
Bottomley, Sir Peter
Bradley, Karen
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, rh James
Bruce, Fiona
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burrows, Mr David
Burton, rh Alistair
Caims, rh Alun
Carmichael, Neil
Carswell, Mr Douglas
Cartlidge, James
Cash, Sir William
Caulfield, Maria

Timms, rh Stephen
Trickett, Jon
Turley, Anna
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunn, Mr Chuka
Vaz, Valerie
Watson, Mr Tom
Weir, Mike
West, Catherine
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Whitford, Dr Philippa
Williams, Hywel
Wilson, Phil
Winnick, Mr David
Wishart, Pete
Wright, Mr Iain

Fox, rh Dr Liam
Francois, rh Mr Mark
Frazier, Lucy
Freeman, George
Freer, Mike
Fuller, Richard
Fysh, Marcus
Garner, rh Sir Edward
Garner, Mark
Gauke, Mr David
Ghani, Nusrat
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halton, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matthew
Hands, rh Greg
Harper, rh Mr Mark
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Hermion, Lady
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howarth, Sir Gerald
Howell, John
Howlett, Ben
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenkinys, Andrea
Jenrick, Robert
Johnson, Boris
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kaczynski, Daniel
Kennedy, Seema
Kinahan, Danny

Knights, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lancahem, Mark
Latham, Pauline
Leadsom, Andrea
Lee, Dr Philip
Leffrey, Jeremy
Leigh, Sir Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Mackinlay, Craig
Mackintosh, David
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
May, rh Mrs Theresa
Maynard, Paul
McCabe, Jason
McCabe, Karl
McLoughlin, rh Mr Patrick
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, rh Nicky
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mowatt, David
Murray, Mrs Sheryl
Murrison, Dr Andrew
Neill, Robert
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Dr Matthew
Opperman, Guy
Osborne, rh Mr George
Parish, Neil
Patel, rh Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Philip, Chris
Pickle, rh Sir Eric
Pincher, Christopher
Pouller, Dr Daniel
Poy, Rebecca
Prfindis, Victoria
Prisk, rh Mr Mark
Question accordingly negatived.

The Deputy Speaker resumed the Chair.

Bill (Clauses 7 to 18, 41 to 44, 65 to 18, 129, 132 to 136, and 144 to 154, and schedules 2, 3, 11 to 14, and 18 to 22), as amended, reported, and ordered to lie on the Table.

Madam Deputy Speaker (Natascha Engel): Before we move to the four Ways and Means resolutions numbered 2 to 5 on the Order Paper, the Minister has notified me that he wishes to move an additional Ways and Means resolution relating to stamp duty. Copies have been in the Vote Office for the past 40 minutes and I hope hon. Members have had an opportunity to read it. The same procedure will apply as for the motions on the Order Paper.

FINANCE BILL: WAYS AND MEANS (STAMP DUTY: ACQUISITION OF TARGET COMPANY’S SHARE CAPITAL)

Resolved.

That the following provisions shall have effect for the period beginning with 29 June 2016 and ending 31 days after the earliest of the dates mentioned in section 50(2) of the Finance Act 1973—

(1) Section 77 of the Finance Act 1986 (acquisition of target company’s share capital) is amended as follows.

(2) In subsection (3), omit the “and” at the end of paragraph (g) and after paragraph (h) insert “, and

(i) at the time the instrument mentioned in subsection (1) is executed there are no disqualifying arrangements, within the meaning given by section 77A, in existence.”

(3) In subsection (3A) for “(3)” substitute “(3)(b) to (h)”.

(4) In subsection (4) after “this section” insert “and section 77A”.

(5) After section 77 of the Finance Act 1986 insert—

“77A Disqualifying arrangements

(1) This section applies for the purposes of section 77(3)(i).

(2) Arrangements are “disqualifying arrangements” if it is reasonable to assume that the purpose, or one of the purposes, of the arrangements is to secure that—

(a) a particular person obtains control of the acquiring company, or

(b) particular persons together obtain control of that company.

(3) But neither of the following are disqualifying arrangements—

(a) the arrangements for the issue of shares in the acquiring company which is the consideration for the acquisition mentioned in section 77(3);

(b) any relevant merger arrangements.

(4) In subsection (3) “relevant merger arrangements” means arrangements for the issue of shares in the acquiring company to the shareholders of a company (“company B”) other than the target company (“company A”) in a case where—

(a) that issue of shares to the shareholders of company B would be the only consideration for the acquisition by the acquiring company of the whole of the issued share capital of company B,

(b) the conditions in section 77(3)(c) and (e) would be met in relation to that acquisition (if that acquisition were made in accordance with the arrangements), and

(c) the conditions in paragraphs (f) to (h) of section 77(3) would be met in relation to that acquisition if—

(i) that acquisition were made in accordance with the arrangements, and

(ii) the shares in the acquiring company issued as consideration for the acquisition of the share capital of company A were ignored for the purposes of those paragraphs;

and in section 77(3)(e) to (h) and (3A) as they apply by virtue of this subsection, references to the target company are to be read as references to company B.

(5) Where—

(a) arrangements within any paragraph of subsection (3) are part of a wider scheme or arrangement, and

(b) that scheme or arrangement includes other arrangements which—

(i) fall within subsection (2), and

(ii) do not fall within any paragraph of subsection(3),those other arrangements are disqualifying arrangements despite anything in subsection (3).

(6) In this section—

“the acquiring company” has the meaning given by section 77(1);

“arrangements” includes any agreement, understanding or scheme (whether or not legally enforceable);

“control” is to be read in accordance with section 1124 of the Corporation Tax Act 2010;

“the target company” has the meaning given by section 77(1).”
(6) The amendments made by this Resolution have effect in relation to any instrument executed on or after 29 June 2016 (and references to arrangements in any provision inserted by this Resolution include arrangements entered into before that date).

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of section 50 of the Finance Act 1973.—(Mr Gauke.)

FINANCE BILL: WAYS AND MEANS
(TRANSITIONS IN LAND)

Resolved.

That provision may be made for and in connection with the taxation of:

(1) profits of trading activities concerned with, or the development of land, in the United Kingdom; and

(2) other amounts representing profits from a disposal of, or of property deriving its value from, land in the United Kingdom.—(Mr Gauke.)

FINANCE BILL: WAYS AND MEANS (RECEIPTS FROM INTELLECTUAL PROPERTY: DIVERTED PROFITS TAX)

Resolved.

That provision be made amending Part 3 of the Finance Act 2015 (diverted profits tax).—(Mr Gauke.)

FINANCE BILL: WAYS AND MEANS (RECEIPTS FROM INTELLECTUAL PROPERTY: TERRITORIAL SCOPE)

Resolved.

That:

(1) In section 577 of the Income Tax (Trading and Other Income) Act 2005 (territorial scope of Part 5 charges), at the end insert—

“(5) See also section 577A (territorial scope of Part 5 charges: receipts from intellectual property).”

(2) After that section insert—

“577A Territorial scope of Part 5 charges: receipts from intellectual property

(1) References in section 577 to income which is from a source in the United Kingdom include income arising where—

(a) a royalty or other sum is paid in respect of intellectual property by a person who is non-UK resident, and

(b) the payment is made in connection with a trade carried on by that person through a permanent establishment in the United Kingdom.

(2) Subsection (3) applies where a royalty or other sum is paid in respect of intellectual property by a person who is non-UK resident in connection with a trade carried on by that person only in part through a permanent establishment in the United Kingdom.

(3) The payment referred to in subsection (2) is to be regarded for the purposes of subsection (1)(b) as made in connection with a trade carried on through a permanent establishment in the United Kingdom to such extent as is just and reasonable, having regard to all the circumstances.

(4) In determining for the purposes of section 577 whether income arising is from a source in the United Kingdom, no regard is to be had to arrangements the main purpose of which, or one of the main purposes of which, is to avoid the effect of the rule in subsection (1).

(5) In this section—

‘arrangements’ includes any agreement, understanding, scheme, transaction or series of transactions

(whether or not legally enforceable);

‘intellectual property’ has the same meaning as in section 579;

‘permanent establishment’—

(a) in relation to a company, is to be read (by virtue of section 1007A of ITA 2007) in accordance with Chapter 2 of Part 24 of CTA 2010, and

(b) in relation to any other person, is to be read in accordance with that Chapter but as if references in that Chapter to a company were references to that person.”

(3) The amendments made by paragraphs (1) and (2) have effect in relation to royalties or other sums paid in respect of intellectual property on or after 28 June 2016.

(4) It does not matter for the purposes of subsection (4) of section 577A of the Income Tax (Trading and Other Income) Act 2005 (as inserted by paragraph (2)) whether the arrangements referred to in that subsection are entered into before, or on or after, 28 June 2016.

(5) Where arrangements are disregarded under subsection (4) of section 577A of the Income Tax (Trading and Other Income) Act 2005 (as inserted by paragraph (2)) in relation to a payment of a royalty or other sum which—

(a) is made before 28 June 2016, but

(b) is due on or after that day,

the payment is to be regarded for the purposes of subsection (1) of that section as made on the date on which it is due.

(6) In determining the date on which a payment is due for the purposes of section 577A of the Income Tax Act 2007 is made on or after 28 June 2016,

(b) the payment is made under arrangements (within the meaning of that section) entered into before that day,

(c) the arrangements are not DTA tax avoidance arrangements for the purposes of that section,

(d) it is reasonable to conclude that the main purpose, or one of the main purposes, of the arrangements was to obtain a tax advantage by virtue of any provisions of a foreign double taxation arrangement, and

(e) obtaining that tax advantage is contrary to the object and purpose of those provisions,

the arrangements are to be regarded as DTA tax avoidance arrangements for the purposes of section 917A of the Income Tax Act 2007 in relation to the payment.

(8) In paragraph (7)—

“foreign double taxation arrangement” means an arrangement made by two or more territories outside the United Kingdom with a view to affording relief from double taxation in relation to tax chargeable on income (with or without other tax relief);

“tax advantage” is to be construed in accordance with section 208 of the Finance Act 2013 but as if references in that section to “tax” were references to tax chargeable on income under the law of a territory outside the United Kingdom.

(9) Where—

(a) a royalty is paid on or after 28 June 2016,

(b) the right in respect of which the royalty is paid was created or assigned before that day,

(c) section 765(2) of the Income Tax (Trading and Other Income) Act 2005 does not apply in relation to the payment, and

(d) it is reasonable to conclude that the main purpose, or one of the main purposes, of any person connected with the creation or assignment of the right was to take advantage, by means of that creation or assignment, of the law of any territory giving effect to Council Directive 2003/49/EC of 3rd June 2003 on a common system of taxation applicable to interest and royalty payments made between associated companies of different member States, section 758 of the Income Tax (Trading and Other Income) Act 2005 does not apply in relation to the payment.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—(Mr Gauke.)
FINANCE BILL: WAYS AND MEANS
(DEDUCTION OF INCOME TAX AT SOURCE: INTELLECTUAL PROPERTY)

Resolved.

That:

(1) Part 15 of the Income Tax Act 2007 (deduction from other payments connected with intellectual property) is amended as specified in paragraphs (2) and (3).

(2) In section 906 (certain royalties where usual place of abode of owner is abroad), for subsections (1) to (3) substitute—

“(1) This section applies to any payment made in a tax year where condition A or condition B is met.

(2) Condition A is that—

(a) the payment is a royalty, or a payment of any other kind, for the use of, or the right to use, intellectual property (see section 907),

(b) the usual place of abode of the owner of the intellectual property is outside the United Kingdom, and

(c) the payment is charged to income tax or corporation tax.

(3) Condition B is that—

(a) the payment is a payment of sums payable periodically in respect of intellectual property,

(b) the person entitled to those sums (‘the assignor’) assigned the intellectual property to another person,

(c) the usual place of abode of the assignor is outside the United Kingdom, and

(d) the payment is charged to income tax or corporation tax.

(3) For section 907 substitute—

“907 Meanings of ‘intellectual property’

(1) In section 906 ‘intellectual property’ means—

(a) copyright of literary, artistic or scientific work,

(b) any patent, trade mark, design, model, plan, or secret formula or process,

(c) any information concerning industrial, commercial or scientific experience, or

(d) public lending right in respect of a book.

(2) In this section ‘copyright of literary, artistic or scientific work’ does not include copyright in—

(a) a cinematographic film or video recording, or

(b) the sound-track of a cinematographic film or video recording, except so far as it is separately exploited.”

(4) The amendments made by paragraphs (2) and (3) have effect in respect of payments made on or after 28 June 2016.

(5) But the amendments made by paragraphs (2) and (3) do not have effect for the purposes of the definition of ‘intellectual property royalty payment’ in section 917A of the Income Tax Act 2007 inserted by Resolution 23 of the House of 22 March 2016 (deduction of income tax at source: tax avoidance).

(6) That section has effect in relation to payments made on or after 28 June 2016 as if “intellectual property royalty payment” also included (so far as it would not otherwise do so) any payments referred to in section 906(2)(a) or (3)(a) of the Income Tax Act 2007 substituted by paragraph (2).

(7) In determining whether section 906 of the Income Tax Act 2007 applies to a payment, no regard is to be had to any arrangements the main purpose of which, or one of the main purposes of which, is to avoid the effect of the amendments made by paragraphs (2) and (3).

(8) Where arrangements are disregarded under paragraph (7) in relation to a payment which—

(a) is made before 28 June 2016, and

(b) is due on or after that day,

the payment is to be regarded for the purposes of section 906 of the Income Tax Act 2007 as made on the date on which it is due.

(9) In determining the date on which a payment is due for the purposes of paragraph (8), disregard the arrangements referred to in that paragraph.

(10) In this Resolution “arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable and whether entered into before, or on or after, 28 June 2016).

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—(Mr Gauke.)

Business without Debate

DELEGATED LEGISLATION

Madam Deputy Speaker (Natascha Engel): With the leave of the House, we shall take motions 6 to 11 together.

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

CAPITAL GAINS TAX

That the draft Double Taxation Relief and International Tax Enforcement (United Arab Emirates) Order 2016, which was laid before this House on 19 May, be approved.

CORPORATION TAX

That the draft Double Taxation Relief (Isle of Man) Order 2016, which was laid before this House on 19 May, be approved.

CAPITAL GAINS TAX

That the draft Double Taxation Relief and International Tax Enforcement (Uruguay) Order 2016, which was laid before this House on 19 May, be approved.

CORPORATION TAX

That the draft Double Taxation Relief (Jersey) Order 2016, which was laid before this House on 19 May, be approved.

CAPITAL GAINS TAX

That the draft Double Taxation Relief and International Tax Enforcement (United Arab Emirates) Order 2016, which was laid before this House on 19 May, be approved.

ELECTRICITY

That the draft Electricity Capacity (Amendment) Regulations 2016, which were laid before this House on 12 May, in the last Session of Parliament, be approved.—(Mr Gauke.)

Question agreed to.

PETITION

Private rented sector in Dulwich and West Norwood

5.54 pm

Helen Hayes (Dulwich and West Norwood) (Lab): I was not expecting my petition to be called quite so early, so I do not have it on me, but the physical copy is on the way, Madam Deputy Speaker.

I am pleased to present a petition on behalf of my constituent Alper Muduroglu, who has gathered 1,500 signatures online against the very high fees that my constituents have to pay to private letting agents. This is a huge issue and I am pleased to present the petition to Parliament for response from a Minister.
Following is the full text of the petition:

[The petition of Alper Muduroglu,
Declares that tenants in the private rented sector in Dulwich and West Norwood have to pay high fees to letting agents; further that there is no limit to the amount lettings agents can charge; further that the Government should take action to address the difficulties faced by tenants in the private rented sector, particularly in London; and notes that an online petition on a similar matter has been signed by 1,480 individuals.

The petitioner therefore requests that the House of Commons urges the Government to consider capping the fees that letting agents are permitted to charge.
And the petitioner remains, etc.]

Bedford Hospital

Motion made, and Question proposed, That this House do now adjourn.—(Charlie Elphicke.)

5.55 pm

Richard Fuller (Bedford) (Con): It is a pleasure and an honour to have secured this debate to talk about the future of Bedford hospital and, in doing so, to praise the efforts and work of the clinicians, nurses, porters, cleaners, caterers and management at our hospital. It is also an opportunity for me to talk about some of the experiences that have affected the hospital over the six years I have been a Member of Parliament. In that time, the most significant impacts have come as a result of actions taken by those within the senior NHS structures.

On the basis of my six years’ grassroots experience, I want to talk about the impacts of some of those processes on my local hospital. In doing so, I am joined in spirit by the Minister for Community and Social Care, my right hon. Friend the Member for North East Bedfordshire (Alistair Burt), who, because of his ministerial responsibilities, cannot speak today. As a Health Minister—although not the Minister responsible for hospitals—he is somewhat constrained in what he may say publicly, but he has provided tremendous support to me and the hospital as it has traversed difficult times in recent years, so I want to put on the record my thanks to him.

Right at the start of my time as an MP, when we were considering the future of hospitals and possible reorganisations, my right hon. Friend, who has been a Member of Parliament, whether for Bedfordshire and for Bury, for 20 or 30 years—so he has a long perspective on this—made an observation to me that the Minister might want to reflect on. He said that in his time organisational fads had come and gone. At one time, the fad might be to centralise, but wait long enough and the fad will be to decentralise services, and that affects not just the health service but many other aspects of public service management.

I want to talk about Bedford hospital and its performance. I am personally extremely grateful to the hospital. I was born there and went there when sick with pneumonia—as the House can see, I made as full a recovery as I could have wished. I am grateful to the hospital for being there at important times in my life, and I know that many of my constituents feel likewise. It is not a big hospital in the grand scale of things, but neither is it a small hospital; it is one of those that many of our constituents would recognise as that local district general hospital that is such a feature of many towns across the United Kingdom.

In my time as an MP, there has been one dramatic moment, where, because of poor guidance, the deanery removed junior paediatric doctors from the hospital. In the past when that happened, the deanery never put junior doctors back, but for the first time in its history it did, because it recognised the level of support and the need for paediatric services in Bedford. The turnaround was a signal achievement by the hospital and came within six months of its positive review by the Care Quality Commission.

A few years later—in fact, earlier this year—the CQC came back to do its overall report for Bedford hospital. It provides a grid, Madam Deputy Speaker, and you
may have seen them at your hospital area reviews, when lots of different services and functions are described and coloured yellow, green, red and blue. Blue is best, as of course it always is, and then we go down through green and yellow to red. Bedford hospital had no reds—not even one of 30 or 40 measurements taken by the CQC. Everything and every aspect of the organisation of our local hospital was working at a level that may have required some improvement, but that provided a level of care in which we in the Bedford community could have trust. Overall, the hospital achieved the same ranking as three quarters of our hospitals do—"requires improvement"—but Bedford hospital was right in the upper quartile of those quality ratings.

The hospital has shown itself able to recover from its problems and it has demonstrated that it delivers good care outcomes. What it has also demonstrated is its ability to start to meet some of the financial challenges that many hospitals in the country have. Two years ago, the hospital had a very substantial deficit, and I shall come on later to a nearby hospital that had an even more significant one.

In the financial year ending in April this year, Bedford hospital met its target of losing only £18 million and it is now on target to achieve its next benchmark of reducing the losses to £10 million. I would, of course, like the hospital to be in surplus, but the direction of travel and rate of progress being made are something from which we can take some comfort. I hope that the Minister will be able to talk about the experience of other hospitals across the country in reducing their deficits and say whether Bedford is moving at the right pace and in the right direction in comparison with many other hospitals.

It is interesting to note that between 2013 and 2015-16 the number of A&E admissions in Bedford went up from 13,600 to 19,300—a very significant increase. As the Minister knows, it is often the case with hospitals that the more A&E admissions they have, the bigger the strain on their finances. The improvement in Bedford hospital’s finances is coming at a time when more and more A&E work is being carried out. Interestingly, the A&E performance of Bedford hospital last winter was in the top 10% of hospitals in the country as a whole.

My final point of praise for Bedford hospital is about the level of connection and support it has in the community. We have a vibrant Friends of Bedford Hospital, as well as a strong charity that raises considerable sums—millions of pounds—for the hospital, including money to support the development of a cancer unit. This is not public money provided by the NHS, but money provided through the strength of charitable giving in Bedford, Kempston and across Bedfordshire by people who know and love their hospital. It is perhaps not unique in the country, but the level of charitable support in place for the hospital is certainly something of note.

If the hospital had been left on its own and the doctors had been left to work out their clinical pathways and to meet the challenges of ever-increasing demands for better care quality as well as the financial challenges of achieving a surplus, I think it would have done very well indeed. There is no resistance to change. The other feature of my six years as an MP, as it affects our hospital, however, has been an ongoing, going-nowhere review that started off as a review of five hospitals back in 2011 and has now been reduced to a review of two hospitals—at Bedford and Milton Keynes.

The five hospital review was rather ambitiously called “Healthier Together”, but after the Corby by-election, it got relabelled as “Healthier Together; Happier Apart” because of the strength of feeling of local people about the performance of the review of hospitals in Northamptonshire. The review of Bedford and Milton Keynes has gone on essentially for a significant number of years, but with very little progress indeed. This has come at a considerable cost. The costs of the “Healthier Together” five-hospital review were anticipated to be £2.2 million. The subsequent review, just between Bedford and Milton Keynes, cost £3.2 million in its first phase and is expected to cost a further £1.3 million this year. In the context of a hospital that is trying to reduce its costs—whether or not this money is funded out of the hospital, the CQC, Monitor or NHS England does not matter—these are considerable sums that have been spent on reviews that have not delivered.

I want to talk about why they have not delivered. The first reason is that despite, perhaps, the best efforts of people on the ground, the original structuring of the Bedford and Milton Keynes review never had any public support. Many people in Bedford understand that their loved ones will go to other hospitals if they need extra care: if you get a heart attack in Bedford, you go straight past Bedford hospital to Papworth; if your child is very sick, they may go to Great Ormond street; if you are pregnant and have a very difficult pregnancy, you may well find that the last stage of your pregnancy and birth take place at Luton and Dunstable. But in very few regards do the people of Bedford look for their health care towards Milton Keynes.

So the original structuring of this review failed to understand where public support might naturally come from, which is why in the general election—I know the Minister, my friend, is aware of this—I was strongly of the view that it made sense for people in Bedford and Bedford hospital to look for ties with Addenbrooke’s, a well-regarded hospital which many in Bedford understand. Many people think it delivers the quality of care they need at the high end and believe it would form the core of a much stronger and better and more appropriate alliance than a forced-together merger with Milton Keynes.

That would not have been the only clinical partner, but it could have been the core partner if those in charge of the review had so permitted. I also think that not only did the review lack public support, but this pushing together of Bedford and Milton Keynes importantly also lacked clinician support—support from the doctors and the consultants, who are the ones we would look to say, “What is the right way for us to achieve those higher quality standards in care?” Their eyes would also have looked elsewhere than this review of Bedford and Milton Keynes. These issues did not arise at the last minute. They arose and were known about for many, many years, and I want to talk in a little while about why on earth the review continued with that lack of support from both the public and clinicians in Bedford.

It is fair to say that when the initial numbers came out and people looked at the financial models for these reviews, there was a series of errors, so much so that they had to go back and redo all their analysis, further
undermining public confidence in this review. Some of the options presented were quite scary: “Should we close A&E in one hospital and move it to another?” or “Should we drop maternity services and paediatrics in one hospital?” These are scary options that those doing a full analysis will of course want to be able to model, but at the slightest change of certain assumptions, they would flip completely from saying, “Yes, we should keep maternity and paediatrics” to “No, we shouldn’t.”

The sensitivities in some of these important decisions suggest too heavy a reliance on financial modelling, rather than on the instincts of the clinicians and the local public about how they feel care quality targets can be set. Yes, that will be within a financial envelope, but this over-reliance on financial modelling was another error in this review, and perhaps one that carries on into other reviews across the country.

This review has been going on since June 2011, with all these weaknesses in errors, sensitivities, lack of clinician support and lack of public support. One would have hoped the message had got through, but unfortunately has not. The review was essentially, as I have called it a number of times, a “zombie” review; no matter how much people would say, “This has no future prospects”, and however much it would be knocked back, the “zombie” review would rise up and continue to walk forward.

The problem with that was that it created such an enormous amount of doubt and uncertainty. I think that our hospital in Bedford could do with a restructuring of its A&E department, so that patient flows work even better than they do now. Less stress would be placed on our doctors and nurses who work in A&E, because it would be easier to move patients through the hospital. Such an investment would be very worthwhile. It would not cost the Treasury a significant amount, and it would pay its way in a few years—not even a double figure. However, it cannot be considered while a question mark may still be hanging over our hospital’s future. I pay enormous tribute to its staff, who have held together strongly and with great spirit in the face of that doubt and uncertainty.

That brings me to my more immediate reason for raising this issue with my hon. Friend the Minister. Let me begin by making a point about joint clinical commissioning groups. CCGs hold our budgets and, on our behalf, spend money on healthcare in our local communities, whether it is primary care or acute care. As we know, they must make certain decisions about where the money should go, but they are also empowered to make some structural decisions. A few years ago, we introduced a statutory instrument under which, instead of making decisions on their own and only for their areas, CCGs could create a framework that would allow them to make a decision together, rather than a decision having to be endorsed by the constituent CCGs one by one in the knowledge that it was right for their individual areas.

Of course, that sets up the potential for mischief as well as the potential for good decision making. If a strong CCG feels that it can dominate a broader group, the interests of the minority can be pushed to one side. That is why I forced that decision on to the Floor of the House. In the last Parliament, I was the only MP on the Regulatory Reform Committee to vote against the creation of joint CCGs. I did so because I could see the potential for mischief. Although I would not say that the members of the Bedfordshire and Milton Keynes joint committee have been mischievous, I do think that the process casts further doubt on the wisdom of putting that system together.

Two weeks ago, the final straw broke the camel’s back. The joint committee produced a report containing its recommendations, which was given full publicity. A very worrying headline was splashed across my local newspaper, saying that maternity services in Bedford were close. When our local media—BBC Three Counties Radio, or another of our local papers—wanted to talk to those who had produced that very scary report, they were told, “We cannot talk to you, because of purdah.”

What goes through the minds of people who are entrusted with our healthcare, and who think that it is OK to throw a report out into the public domain and then back away and say, “We cannot say anything about it”? What logic says that publishing a report is not a breaking of purdah, but talking about it is? It seems to me that those people did not know what they were doing. I am very grateful to Simon Stevens, the chief executive of NHS England, who wrote back to me on 27 June. Referring to those two points, he said:

“With hindsight, the meeting should not have been scheduled during the purdah period and the report should not have been released.”

For me, that is the final straw. I have experienced the final straw a number of times in this regard, but I do not think that the public can possibly have confidence in a group of people who will do something that is so scary and then run away—and when the head of NHS England describes it as a great and grievous error, it is time for the joint committee to be dropped. But no! This has not ended; it has paused. How long do we have to wait for this review to reach its bitter end and to be closed?

I want to hear from the Minister today what the logic is behind continuing the Bedford and Milton Keynes healthcare review. It has no local support from the people or the local clinicians of Bedford. It has no respect for the public, given the way in which it puts out pronouncements and then runs away. It does not even fit with NHS national strategy. In those circumstances, a pause is not good enough. It is time this review was killed off—ended, kaput, no more! The people who go to our hospital want to know that they can look to and trust a single process in relation to the future of that hospital, and the people who work in that hospital want to have the confidence that they can control its future on behalf of their patients. The nonsense of the review carrying on is affecting my constituents and my local doctors. It is also disrupting the national strategy of the NHS.

The Minister will be aware of the comprehensive programme reviewing the implementation of the NHS five year forward view. It is called the sustainability and transformation plan—the STP—and it is a pretty good plan. I read the “Five Year Forward View”—as I know you did, Madam Deputy Speaker—before the election. It was an important document that we should all read, and it was a good document because it pointed in the right direction in relation to the needs of an ageing population and the importance of integrating care in the community with our acute services. The plan is the sort of plan that people, politicians and clinicians can get behind. The direction of travel was made clear, and
the STP is the implementation tool that is being used to achieve that across the country. It will not satisfy everyone—indeed, I am sure that it will come up with some challenging solutions—but it is consistent with the national strategy and I believe that it is the right approach to take nationally.

In my own region, the STP involves not only Bedfordshire but Luton and Milton Keynes. Importantly for our area, it is being led by an extremely capable hospital chief executive, Pauline Philip. She is the chief executive of Luton and Dunstable University hospital. She will of course have to balance her interests as the head of a hospital that would naturally like to take more under its own control with the understanding that there is a responsibility to keep a sustainable acute services area and, most importantly, to gain the support of local authority areas.

I am reflecting on why that other review is still paused, given its inadequacies and lack of fit, so here are some observations that I hope the Minister will respond to. In my experience, in discussions about this over the past six years, there has been too much bureaucratic infighting between Monitor and the NHS Trust Development Authority, which seemed to think, prior to its merging into NHS Improvement, that the hospitals in its arm of the health service were the ones to protect, regardless of the consequences for hospitals in the other arm. Milton Keynes hospital, the other hospital affected by this review, was frequently seen to be being indulged, while more severe restrictions were placed on Bedford hospital. For example, while Bedford hospital was achieving a reduction in its losses, Milton Keynes hospital was being indulged for increasing its losses. Where is the fairness in that?

I also want to ask why the boundaries were selected in this way. It appears to me that the boundaries relating to Bedford and Milton Keynes were drawn in a way that was perhaps correct for locating the problem, but that they had no chance of being the right set of boundaries for finding the solution. That is fine. When we look at problems, we often set up boundaries to understand them. I understand that, but what I have observed as a Member of Parliament is intransigence in those who have been running this process to understand that although they may have the correct boundaries for the problem, they need to be creative beyond those boundaries to find a solution. Year after year, square pegs were shoved into round holes. It was not working, and yet there was an intransigence in those who managed the system just to keep on keeping on, wasting millions of pounds in the process and reducing not increasing public trust in the NHS.

I would therefore ask Simon Stevens, who I think has the right strategy, what is going on in the mid-tier of NHS management. Who is in charge? It seems that there is one plan in the STP, which is Simon Stevens’s plan, but somebody else must have a dog in the hunt as well, because that is the only explanation for why the Bedford and Milton Keynes review has not been killed but paused. It is time to hold to account those who started the review and who have kept it going at the cost of millions of pounds beyond the point of there being any confidence in it. I do not mean our local CCGs; I mean the mid-tier of NHS England. I want the Minister to say today that he will examine the matter and ask probing questions about how inertia in bureaucratic processes can go unchecked for so long, causing so much uncertainty, with so little logic. Even when it is apparent, as it is today, that it strikes against the structure of the national NHS strategy, implemented through STPs, it was paused, not cancelled.

I have seen something in the past few weeks that does have congruence with the national strategy and does have the support of local people. It is a plan that was put together by Bedford Borough Council. The mayor and I disagree on many things, but he has done a first-class job with councillors from all parties. I want to make particular mention of Councillor Louise Jackson, the Labour councillor for Harpur ward, and Councillor John Mingay, the Conservative councillor for Newnham. They put together a plan that drew in the resources of PwC, which had done a similar review of Tameside. They specified something that could happen and work for their hospital and their community, and then gave it to the STP and to the national process for evaluation. It is a plan that the people of Bedford can get behind. It is certainly a plan that carries my support and the support of all local politicians and the Minister for Community and Social Care, my right hon. Friend the Member for North East Bedfordshire (Alistair Burt). The future of Bedford hospital is strong and positive. It wants to change and to meet the challenges set by NHS England. The most important thing that we have to look after as Members of Parliament is the health and wellbeing of our constituents. Our interests are in their wellbeing, not in any institution, and in patients’ futures. People must be able to expect the right level of quality services in A&E, paediatrics and maternity to be available in their local community in a town the size of Bedford, which is growing at a rate. The hospital has such deep connections with the community and such strong charitable support, and there has been such positive action even during this period of doubt and uncertainty. I hope that the Minister will reflect not only on the national impact, but on his ability to bring that period of doubt and uncertainty to an end.

6.23 pm

The Parliamentary Under-Secretary of State for Health (Ben Gummer): I thank my hon. Friend the Member for Bedford (Richard Fuller). As a fellow Member of Parliament for a county town with distinct and important interests, I recognise his campaigning work. I know the pleasures and vicissitudes of representing a town such as Ipswich or Bedford and can see why he feels so passionately about this subject and why he continues to fight for the good of his hospital.

It is no wonder that Bedford hospital is held in such affection and high regard by the people of that town. It was founded in 1803 by Samuel Whitbread with a bequest of £8,000, which was not inconsiderable at the time, and three physicians—if only we could provide healthcare on such limited means now. That long history has clearly placed the hospital at the heart of the community. I can quite see why the charitable and community efforts that go into the hospital are so considerable.

My hon. Friend is right to point out that Bedford hospital is classed as requiring improvement by the Care Quality Commission. Although the CQC recognised
that there were areas that were good and, most importantly, that the hospital was good at caring for patients, significant areas required improvement. I know that puts it with the majority of hospitals in this country, but it does not put it in a good place. The point of having these scorings by the CQC is to ensure that we can measure progress, so that hospitals across the country improve and become better at what they do.

All of us agree that the current quality of care provided at Bedford, as with other hospitals that require improvement, is not good enough and that something needs to be done about it. I know that my hon. Friend has not shirked that responsibility. In his speech, he made it clear that there are areas of clinical care, which are currently provided outside the county, that need to be provided because of the nature of the change in medical technology. They are provided outside the county because of the need to have clinicians doing work on a regular basis, which they cannot given the relatively limited population base. My hon. Friend’s hospital serves about 280,000 people, which is a small population for a district general hospital. Therefore, it is impossible for it, as it is for my own hospital, to provide the full range of services that, in the future, the kind of services it provides will change. I hope—and this is the intention of NHS England—that, in some areas, it will increasingly do more of the work that was otherwise done at a regional level and that we will begin to see services in Bedford hospital that have not been provided there before.

By the same token—to take one particular clinical example—I imagine that the advance of stroke medicine will mean the establishment of major stroke centres, as we are seeing in London. The new technologies, which are currently very little used in the NHS, will require investment of a kind that we have never before had in stroke medicine, and that will have implications across the country. We must be honest about that, because it will require moving services so that people can have access to better treatment and therefore a higher likelihood of their lives being saved.

My hon. Friend is also right to say that the hospital has a deficit. Many hospitals in the NHS do so. Some manage their finances better than others, and there is a close correlation across the NHS between those hospitals that run their services well and those that run their finances well. The hospitals that are scoring outstanding ratings from the CQC are the ones that run their finances best. Those that cannot run their hospital well and are classed inadequate are those with the biggest financial problems. Given the fact that there is a standard formula across the country, that is to do with the internal management both by clinicians and managers, and not to do with differences in funding.

Clearly, there are issues with the quality of care at Bedford, and the future will be secured at that hospital only if, like other district general hospitals across the country, it can evolve, change and respond to changing medical technology and best practice. It also needs to provide new and additional services and to play to its strengths. One particular strength that I wish to highlight, because it is fantastically provided in Bedfordshire as a whole, is end-of-life care. It is noticeable that it has been rated good by the CQC and clearly plays a part in the system-wide approach to end-of-life care, which I have held up to people across the country as a symbol of how to get it right, rather than wrong.

I will have to disappoint my hon. Friend in this regard: I cannot comment on the specifics of the reviews. There are two reasons. First, reconfigurations do not concern the Department. They are to be done locally; that is the point of reconfigurations. I will talk about the generality of that later, but I cannot direct one way or the other how that reconfiguration should happen.

I completely understand my hon. Friend’s frustration. He has been let down, and his community has been let down. This has been going on for far too long—its current phase goes back to the mid-2000s. That is not acceptable. There is one thing worse than making a bad decision or a mediocore decision, and that is putting something into chaos in the meantime—something on which we can reflect on a larger scale at the moment. If we do not move forward with proposals, we are not changing the hospital in the way that it might need to be changed or responding to changing circumstances. That means that in the end we create greater instability, and instability itself is a bigger problem for the hospital that might or might not remove one or two services.

That is not to say that I endorse whatever plan comes out from the joint committee, or to say anything otherwise, but I am absolutely determined that reconfigurations, as they happen around the country—and continue to happen through the NHS—should abide by the principles of reconfiguration. They should be independent, they should be clinically led and they should reflect the full weight of clinical opinion across any area. They should be cognisant of the wider interests of the NHS; it is not right to be able to reconfigure something that has detrimental effects on neighbours. That is how our system works. They should also be expeditious, and this is where we have singularly failed over the whole history of the NHS. People hang around, they do not make decisions, they vacillate, and consequently when decisions are made they are often out of date, even if they are right.

This is where I hope that the STP process correctly identified by my hon. Friend will help. The chief executive of the NHS, Simon Stevens, has made it absolutely clear that we need to ensure that we have consistent, rigorous plans that have the agreement of the central bodies but are locally driven, that have the buy-in of all the local organisations involved in healthcare and that actually happen, so that they will happen within the period of the five year forward view, into which we are 18 months advanced already. That is why, whatever happens, the joint committee’s report needs to work with the STP when it is eventually published and agreed. The two need to work together; we cannot have two separate plans. It will be impossible to do that, and that goes for the situation across the country. We cannot have one plan that is not reflected in the STP.

I would encourage my hon. Friend to continue his hard work and that of his council to influence how the STP is formed and to bring maximum pressure to bear to ensure that it reflects the wishes of local people, so that the STP is something into which everyone can buy and so that it is realisable.

I want to reflect quickly on the generality of mergers. My hon. Friend spoke about the relationship with Milton Keynes. Again, it is not for me to make a determination on whether that is the right or wrong thing, but the whole NHS needs to get out of the rut of
feeling that mergers can happen only between two neighbouring places. Often, it is the right thing to do, but being neighbours does not always make it the right thing to do. I would be as happy to see a relationship between Bedford hospital and another outstanding hospital elsewhere in the country if that was the right thing for Bedford.

Realistically—this is the same for my hospital as for others—we will have to see scale, not only so that we can better manage overhead costs but so that we can spread good practice, which is something that the NHS has been terrible at doing throughout its history. Some of the experience of the emerging chains elsewhere in the country—I point my hon. Friend to the work of Sir David Dalton at Salford royal hospital and the remarkable work done by Jim Mackey at Northumbria NHS trust—shows the advantage of creating partnerships, which would secure Bedford’s future and ensure that Samuel Whitbread’s original vision lives on into this century and therefore into the third century of the hospital’s foundation.

I thank my hon. Friend for bringing these important local issues to the attention of the House. I share his frustration. He is right in his analysis that this has taken too long. None of us in the House is able to determine the clinical adequacy, or not, of the plan as it emerges, but I impress on local commissioners and NHS England that we must ensure that a plan is agreed locally as quickly as possible and just to get on and do it, so that we stop this indecision and vacillation, which has clearly caused local people in Bedford such concern over so many years.

Question put and agreed to.

6.35 pm

House adjourned.
The Secretary of State was asked—
Global Fund to Fight AIDS, Tuberculosis and Malaria—

1. **Oliver Colvile** (Plymouth, Sutton and Devonport) (Con): What her policy is on the investment case for the replenishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria.

**Justine Greening**: Before I answer Question 1, may I briefly offer my voice to the many tributes that have been made in this place to Jo Cox? I know that I speak for the entire development community when I say that she was an incredibly impressive Member of the House. We also had the chance to work together on Syria. Indeed, the Order Paper does not show it but she should have been asking topical question 5. I believe that the House is a much, much poorer place for not hearing from her today.

I also welcome the shadow Front-Bench team and welcome the shadow Secretary of State, the hon. Member for Edmonton (Kate Osamor), to her role. I wish her well.

In response to the question of my hon. Friend the Member for Plymouth, Sutton and Devonport (Oliver Colvile), we welcome working through the global fund. This country has helped to keep 8.6 million people alive with HIV therapy. We have distributed 600 million mosquito nets and have treated 15 million cases of TB. We are actually the third largest funder. The UK is planning to support a successful replenishment of the strong, value for money global fund later this year.

**Oliver Colvile**: Mr Speaker, as you can see from my entry in the Register of Members’ Financial Interests, I visited Zambia last year with RESULTS UK and saw for myself the excellent work that global fund investment is doing, particularly on TB-HIV co-infection. Will the Minister do everything possible to ensure that the fund’s replenishment target of $13 billion is met at a minimum?

**Justine Greening**: Yes, we will. The global fund is a novel but powerful model for delivering improvements on AIDS, TB and malaria at scale. We therefore want to see it do better. It still needs to focus on delivering value for money, but we will be lobbying other Governments, countries and organisations to continue supporting it.

**Mr Gareth Thomas** (Harrow West) (Lab/Co-op): May I press the Secretary of State on whether she accepts the case for a 20% increase in the UK’s contribution to the global fund, something which the global fund has specifically asked us to contemplate and which several other countries are doing? Might she also take the opportunity to make a speech on the continuing worldwide HIV and AIDS crisis?

**Justine Greening**: That is an important question. Following the announcement of the multilateral aid review, which is coming out shortly, we are looking at how we approach the forthcoming replenishment. The key thing is to ensure that we lobby other countries and players to provide support alongside the UK, but, as the hon. Gentleman says, it is important that we show leadership ourselves.

**Dr Philippa Whitford** (Central Ayrshire) (SNP): Before I ask my question, may I express our solidarity with the people who were involved in the bombing in Istanbul last night?

The cap is a bizarre self-limitation. If Britain wants to give £1.2 billion to the global fund, why do we set a cap that prevents us from doing so?

**Justine Greening**: It has been done precisely to incentivise others and to make it clear that the fund will work best if it is supported by a broad donor base. While we have always been key supporters of the global fund, it is important that countries such as the UK do not let up on challenging other players and countries to play their role. Although we are a strong supporter of development and we can be proud of our work, we want other countries to follow our lead, not lag behind.

**Kate Osamor** (Edmonton) (Lab/Co-op): I would first like to congratulate the Secretary of State on coming out over the weekend. I look forward to future exchanges across the Dispatch Box.

The global fund replenishment conference in September presents an incredibly important moment for the fund, which provides more than three quarters of all international finance to the fight against TB. Without renewed commitment, we will not realise the global plan’s targets, so when exactly will the UK commit to the global fund?

**Justine Greening**: We will make an announcement following the publication of the multilateral aid review. I can assure the hon. Lady that two things are being focused on: ensuring that the global fund offer is strong so that countries are persuaded to invest in it and having a smart investment ourselves, as we have had in the past, to encourage other countries to join us.

**Kate Osamor**: The global fund has a remarkable record, having saved more than 70 million lives and treated over 13 million people for TB. Notwithstanding that record, Canada, Italy and Japan have each significantly increased their contributions to the fund by at least 20%. Will the Secretary of State ensure that the UK also increases its contribution?

**Justine Greening**: As I have said before, we will finally announce what we are doing on the replenishment after our multilateral aid review. I can assure the hon. Lady that we are very keen to see a successful replenishment of the global fund. Our country has supported that for a number of years now. Looking at the progress on
malaria, TB and AIDS, it is clear that we need to keep our foot on the pedal if we are to eradicate these diseases, because, in the end, they are holding back their countries from developing.

**Burundian Refugee Safety**

2. *Stephen Phillips* (Sleaford and North Hykeham) (Con): What assessment she has made of the safety of people from Burundi in refugee camps in neighbouring countries.

The Parliamentary Under-Secretary of State for International Development (Mr Nick Hurd): May I associate myself with the remarks of the shadow Secretary of State about the Secretary of State, and with the remarks about standing in solidarity with Istanbul?

More than a quarter of a million Burundians have fled their country since 2015. We remain very concerned about their wellbeing, which is why we are the second largest bilateral donor to the regional refugee appeal.

Stephen Phillips: My hon. Friend will be aware of reports over recent months of Burundian refugees being followed over the border into camps and attacked by those from whom they have tried to flee, often to punish remaining family members or silence those with stories of abuse. What are the Government doing to offer support to authorities and non-governmental organisations running refugee camps in Rwanda, Tanzania and other neighbouring countries to ensure that those fleeing Burundi are safe?

Mr Hurd: I thank my hon. and learned Friend for that question. We are aware of the reports. Indeed, I have spoken personally to a number of Burundian refugees in camps, and we have made it very clear to the United Nations High Commissioner for Refugees that we expect it to protect all refugees, and in Rwanda we have funded it to provide additional protection in the Mahama region refugee camp.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): May I welcome what the Secretary of State said about Jo Cox? We particularly miss her today, as she had a track record on these important issues.

There is concern in all parts of the House about the crisis in Burundi. Can either the Department for International Development or the Foreign Office come to the House soon with a full statement on the crisis and how we can best address it?

Mr Hurd: If that is the wish of the House, I am sure that both Departments will listen to it carefully. We are extremely concerned about the situation and have been for very many months. I am in regular contact with the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Rochford and Southend East (James Duddridge), who has responsibility for Africa, about what he is doing on the diplomatic front and what we are doing in terms of planning contingencies in the event of an escalation of the humanitarian crisis.

Jeremy Lefroy (Stafford) (Con): Young people from specific communities are being taken from their homes, tortured and then killed. We have a deep crisis in Burundi: a President in denial who refuses to accept the validity of the Arusha peace process. What can the UK Government do to encourage other neighbouring African countries to take this matter even more seriously than they appear to be doing at the moment?

Mr Hurd: I share my hon. Friend’s concern and passion about this situation. I assure him that my hon. Friend the Under-Secretary and I work together extremely closely to put whatever pressure we can on countries that may have influence, and to ensure that we are in a position to do the right thing in providing support for the Burundian people.

Imran Hussain (Bradford East) (Lab): May I too associate myself with the remarks showing solidarity with Turkey?

In 2012, the UK Government closed DFID’s office in Burundi despite the history of electoral turmoil in the country and an understanding that the next election would be just three years away, in 2015. The election was identified as a key possible flashpoint for future violence by many NGOs and the International Development Committee, which criticised DFID’s decision to close the office. As the refugee crisis in Burundi escalates, will the Minister assure me that DFID has in place clear and effective measures to ensure that it identifies where crises may occur and is fully able to react and respond to them?

Mr Hurd: Yes, I think I can give the hon. Gentleman that assurance. This has been an issue that has been glowing red on our radar screen for some time now. As I have said, we are the second largest bilateral donor to the regional appeal. We have contingency plans in place. We have announced an additional £15 million to support Tanzania in its preparedness for an escalation and we have released money and technical expertise to be deployed in Burundi to support any escalation in the humanitarian crisis.

**Food Insecurity: Eastern and Southern Africa**

3. Carol Monaghan (Glasgow North West) (SNP): What steps she is taking in response to food insecurity in eastern and southern Africa.

The Parliamentary Under-Secretary of State for International Development (Mr Nick Hurd): DFID has provided an additional £200 million since mid-2015 to respond to the impact of El Niño-related climate shocks in Africa. More than 4 million people have already been supported by DFID programmes in the horn of Africa and southern Africa.

Carol Monaghan: The drought in Africa is affecting millions of people and is predicted to continue until November and possibly beyond. If the rains do come, there will be a hunger gap for families across the region while they wait to see whether there is anything to harvest in the next three to five months, so what steps are the Government taking now to make sure that food and other essentials are ready to be delivered then if it becomes necessary?

Mr Hurd: I thank the hon. Lady for throwing a spotlight on a humanitarian crisis that is under-reported and underfunded. I am proud to say that the UK has shown genuine leadership in making large amounts of
funding available early—as I said, £200 million in the past year alone—and we are reviewing what more needs to be done, but critically we are also picking up the phone and speaking to all the other donors in the international community to encourage them to do more, as well as working very closely with domestic Governments such as Ethiopia’s to make sure that they have the right plans in place to protect their people.

Mr Laurence Robertson (Tewkesbury) (Con): I congratulate DFID on the support that it is giving, particularly to Ethiopia. On a recent visit to that country, I learned of the work that is being carried out and also of the funding gap in the support programme. I also learned that there is a need for donors to be there on a long-term basis because the problems are not going to go away. Will the Minister redouble his efforts to bring in more donor countries and make sure that they are there for the medium to long term?

Mr Hurd: Yes, I can reassure my hon. Friend of that, and I thank him for his letter after his visit. We are making those calls and encouraging other donors. I should place on record our respect and recognition for the work that the Ethiopian Government have done in making domestic resources—$700 million—available to be part of this response.

Mr Gregory Campbell (East Londonderry) (DUP): In many instances charitable institutions are doing great work in trying to provide clean, plentiful water supplies in sub-Saharan Africa, which allows those nation states to produce food on a much greater scale. What is being done to supplement those efforts and help those institutions provide that much needed water supply?

Mr Hurd: DFID is extremely proud of its co-operation and partnership with NGOs in many areas. In the context of making sure that people have access to clean water and sanitation, we have a manifesto commitment to support 60 million people achieve that, so partnership working is fundamental to our approach. A large amount of that £200 million funding has been to help people access the most basic services.

Kerry McCarthy (Bristol East) (Lab): I am pleased to hear the Minister acknowledge that climate change is having a huge impact on food security in the region. What efforts is his Department making to look at the impact on fish stocks, which very many people in that region depend on?

Mr Hurd: The hon. Lady is entirely right that we have to factor in climate change, not least because on our assessment there is a 75% probability of La Niña following El Niño. A large part of the work that we are doing involves doing the best we can to help people now, as well as to plan for the future and build in greater resilience so that those countries and those populations are better protected in the future.

Patrick Grady (Glasgow North) (SNP): May I associate those on the SNP Benches with the good wishes and congratulations that have been extended to the Secretary of State in recent days, and also welcome the new Labour spokesperson to her post?

Will the Minister recognise the role of faith and civil society organisations in developing countries in the delivery of food and emergency aid? Given the need for forward planning mentioned by my hon. Friend the Member for Glasgow North West (Carol Monaghan), what steps is he taking to make sure that DFID can support such organisations in responding to the food crisis?

Mr Hurd: The key thing is to act early and to act decisively. The British Government have made a lot of money available and have acted early, which is critical to being cost-effective. Fundamental to our approach is working through other organisations. That includes the best NGOs, which are passionate about trying to provide basic services and keep people alive.

Bilateral and Multilateral Aid Reviews

4. John Nicolson (East Dunbartonshire) (SNP): When her Department plans to publish the findings of its bilateral and multilateral aid reviews.

The Secretary of State for International Development (Justine Greening): The reviews will ensure that we allocate our budget to the right places and in the right ways based on solid evidence, translating our UK aid strategy into a set of delivery plans for DFID that are ambitious in driving development and tackling poverty, but also deliver value for money. That is in our UK national interest. We are planning to publish the outcome of the bilateral and multilateral aid reviews in the early summer.

John Nicolson: May I, too, congratulate the Secretary of State on her recent announcement? In a time of great political uncertainty, surely these reviews should not be delayed any further, so may I ask her what impact she thinks Brexit will have specifically?

Justine Greening: Part of our work has been through the European development fund, so work is now under way to understand where the end point of Brexit is and, critically, the transition plan in the meantime. That work is under way, but I emphasise that overwhelmingly our work is not through the EDF, and that, of course, is unaffected.

15. [905522] Alex Chalk (Cheltenham) (Con): I am proud of our international aid record, but we have to take the public with us. Does my right hon. Friend agree that if the target were to apply over a longer period, thereby allowing for annual variations to reflect need, taxpayers could have the greatest possible comfort that they were seeing value for money?

Justine Greening: Value for money comes from how we take decisions and monitor their impact in the Department, and less from how we structure the budget. We have a commitment to investing 0.7% of our gross national income in international development each year, and we are going to stick to that.

Mrs Caroline Spelman (Meriden) (Con): Will the Secretary of State reassure the House that following the withdrawal of our overseas aid portion given through the EU, the absolute percentage that we spend on the world’s poorest people will be maintained?

Justine Greening: This Government came in on a manifesto of maintaining the 0.7% commitment. Under
the coalition Government that we led, it was brought in and achieved for the first time. We legislated for it, and we stand by that.

**Palestinian-Israeli Co-existence Projects**

5. **Stephen Metcalfe** (South Basildon and East Thurrock) (Con): What support her Department provides to projects facilitating peaceful co-existence between Palestinians and Israelis.

**The Minister of State, Department for International Development** (Sir Desmond Swayne): We support projects that bring Palestinians and Israelis together, to which end we have made provision for funding through our conflict, security and stability fund to support co-existence projects, but I am keen to identify what more we can do.

Stephen Metcalfe: As I am asking my question in slot No. 5, which would have been taken by Jo Cox, may I, too, add my tribute to her excellent work in this area? Why do my right hon. Friend and his Department think that it is a good use of taxpayers’ money to continue to support the Palestinian Authority?

**Sir Desmond Swayne:** I agree with my hon. Friend about Jo Cox. The reason we think it is a good idea to support the Palestinian Authority is that they deliver essential public services, not least healthcare and the education of 770,000 pupils. I believe that it is in our national interest to build up Palestinian institutions so that in a future Palestinian state, they can be reliable and effective partners for peace.

**Richard Burden** (Birmingham, Northfield) (Lab): I endorse the tributes that have been made to the work of Jo Cox for peace and justice in Israel and Palestine. Will the Minister join me in recognising the contribution to the coalition Government that we led, it was brought in and achieved for the first time. We legislated for it, and we stand by that.

**Stephen Metcalfe:** Yes, and I am concerned about any potential closing of space for non-governmental organisations.

**Mr Speaker:** I will call the hon. Member for Harrow East (Bob Blackman) if he undertakes to ask a single short-sentence question.

Bob Blackman (Harrow East) (Con): Has my right hon. Friend examined Save a Child’s Heart, an initiative by the Israeli Government to treat Palestinian children and save their lives?

**Sir Desmond Swayne:** Yes, I hosted a delegation of Members from across the House who brought this excellent organisation to my attention recently, and my officials are conducting due diligence.

**Topical Questions**

T2. **Dr Tania Mathias** (Twickenham) (Con): If she will make a statement on her departmental responsibilities.

**Justine Greening:** Alongside visiting refugee camps in Kenya, at the end of May I headed the UK delegation at the world humanitarian summit where we helped to secure widespread agreement on the need to reform the humanitarian system. I committed £30 million of support to a new joint fund for education in emergencies to help to make sure that no child misses out on an education. Our commitment to international development is, and will continue to be, firmly in our national interest as well as the right thing to do.

**Dr Mathias:** I note we have UK advisers in the refugee camps in Europe. I hope they will remain. What steps is the Department taking to ensure that the best people do this essential work? Will the Secretary of State look into a Teach First-style scheme so that we get the best graduates?

**Justine Greening:** Britain is working with Greece, Turkey and others in Europe. The first UK team has arrived in Greece, and it includes experts in supporting vulnerable groups, such as unaccompanied asylum-seeking children, and those trained to tackle people trafficking. My hon. Friend raises an interesting point, and I will certainly take it up with my colleagues at the Home Office and the Department for Education.

T3. **Andy Slaughter** (Hammersmith) (Lab): Given what the Overseas Development Institute has called the misrepresentation of its recent report on the state-building grant to Palestine, will the Secretary of State take this opportunity to confirm that UK aid to the Palestinian Authority is for wholly legitimate purposes and is essential to peace-building in the region?

**Justine Greening:** I believe the hon. Gentleman is right in his assertion. Indeed, as my right hon. Friend the Minister of State has just set out, the work we are doing is helping to provide not only health facilities for people in that area but, critically, education for children who so badly need it.

**Mr Speaker:** Order. There are a lot of very noisy private conversations taking place. It is incredibly discourteous to the Secretary of State and discourteous to Members treating of matters affecting some of the most vulnerable people on the face of the planet, and I rather doubt it does much good to the reputation of the House at this important time, so if Members who are chattering away privately could stop doing so, that would help.

T5. **Alberto Costa** (South Leicestershire) (Con): Tanzania saw some great progress against the millennium development goals, but areas of the country still lack access to basic services such as water. I am glad that the Secretary of State met Councillor Louise Richardson, but will she comment on how her Department is working with Tanzania on those vital areas?

**Justine Greening:** I very much appreciated the time that my hon. Friend’s local councillor took to meet me and to talk about the work she has been involved in. DFID is helping Tanzania to improve access to clean water in rural areas and rural water sustainability. Alongside that, we have a strong focus on improving electricity access, off-grid energy solutions and, of course, rural road infrastructure, which is so important.
children, not least in making sure that there is no lost parenting, and child development, as well as all the Secretary of State look at a package to include mentoring, where a family have suffered a bereavement. Will the zones, it will of course be much worse, particularly is a major cause of dysfunction in families. In conflict in the United Kingdom, adverse childhood experience independence, so this is absolutely vital.

Since 2011 we have helped 2.5 million women to improve on Women's Economic Empowerment, which will report in September. This is central to DFID's work. Indeed, focuses on Malawi. I am very happy to meet the new Minister.

We encourage business growth in developing countries helps to cut poverty and to create new markets for British exports. Will the Secretary of State update the House on what the Government are doing to help entrepreneurs in developing countries?

Justine Greening: My hon. Friend makes a very important point, and I will certainly relay it to my colleagues in the Foreign and Commonwealth Office.

Wes Streeting (Ilford North) (Lab): Given the support that the Government provide to the Government of Sri Lanka for reconciliation and human rights, will the Secretary of State give a commitment that her Department will make the strongest representations to the Government of Sri Lanka that there will be no peace or reconciliation without international involvement in the prosecution of historic war crimes during the Sri Lankan civil war?

Justine Greening: The hon. Gentleman makes a very important point, and I will certainly relay it to my colleagues in the Foreign and Commonwealth Office.

T4. [905528] Ian Blackford (Ross, Skye and Lochaber) (SNP): Will the Secretary of State join me in welcoming the appointment of Dr Alasdair Allan as the new Scottish Government Minister for International Development and Europe? As she never managed a one-on-one with his predecessor, will she make it a priority to meet Dr Allan?

Justine Greening: I regularly visit our joint headquarters office in East Kilbride, Glasgow. We work alongside the Scottish development programme, which very much focuses on Malawi. I am very happy to meet the new Minister.

Mr Alan Mak (Havant) (Con): Encouraging business growth in developing countries helps to cut poverty and to create new markets for British exports. Will the Secretary of State update the House on what the Government are doing to help entrepreneurs in developing countries?

Justine Greening: My hon. Friend asks. I am very proud to be a founding Minister.

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Justine Greening: The hon. Gentleman makes a very important point, and I will certainly relay it to my colleagues in the Foreign and Commonwealth Office.

T6. [905530] Mr Alan Mak (Havant) (Con): Encouraging business growth in developing countries helps to cut poverty and to create new markets for British exports. Will the Secretary of State update the House on what the Government are doing to help entrepreneurs in developing countries?

Justine Greening: My hon. Friend makes a very important point, and I will certainly relay it to my colleagues in the Foreign and Commonwealth Office.

Mr Graham Allen (Nottingham North) (Lab): Even in the United Kingdom, adverse childhood experience is a major cause of dysfunction in families. In conflict zones, it will of course be much worse, particularly where a family have suffered a bereavement. Will the Secretary of State look at a package to include mentoring, parenting, and child development, as well as all the other good work that her Department does?

Justine Greening: The hon. Gentleman will be aware that in our Syria response we very much focused on children, not least in making sure that there is no lost generation of children out of school. The broader point about understanding the impact of conflict on children in the longer term is extremely important. Mentoring, psychosocial support, and counselling need to be in place to help children get through situations that would be hard for most of us adults, let alone small children.

The Prime Minister: The Prime Minister was asked—

Engagements

Q1. [905448] Mr Alistair Carmichael (Orkney and Shetland) (LD): If he will list his official engagements for Wednesday 29 June.

The Prime Minister (Mr David Cameron): I know the whole House will join me in condemning the horrific terrorist attacks in Turkey last night. Our thoughts and prayers are with those who were killed and injured, and their families. As yet, there are no reports of any UK casualties, but the Foreign Office is working urgently with the Turkish authorities to establish the full facts. I spoke to President Erdogan this morning to express the UK's condolences and to offer assistance. Details are still emerging, but we stand as one in our defiance against these barbaric acts.

This week marks the centenary of the Battle of the Somme, and there will be a national two-minute silence on Friday morning. I will attend a service at the Thiepval memorial near the battlefield, and it is right that the whole country pauses to remember the sacrifices of all those who fought and lost their lives in that conflict.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall have further such meetings later today.

Mr Carmichael: May I first associate myself with the Prime Minister's remarks of condolence to all those who have been affected by the dreadful attack in Istanbul?

May I offer my personal best wishes to the Prime Minister and his family for life after Downing Street? He has served his country, but he has not done it alone. It is right that we should acknowledge the support that he has had, as we all have, from our families in public service.

Before the Prime Minister goes, though, will he attend to one matter that, when he was in opposition, he described as doing enormous moral damage to the moral authority of our country—the involvement of our security services in rendition? Now that the Crown Prosecution Service has decided that it is not going to prosecute Sir Mark Allen for what he did, will the Prime Minister reconstitute the Gibson inquiry so that we can know what was done in our name, and on whose authority?

The Prime Minister: I thank the right hon. Gentleman for his generous remarks. I am very proud to have served this country, and proud to be the first Prime Minister for, I think, 30 years to get to both Shetland and Orkney to make sure that I fully looked into his constituency.

The right hon. Gentleman raises an important point about the Libya rendition issue. The Government co-operated fully with the police investigation. The CPS set out its position recently, concluding that there was
insufficient evidence to prosecute. I would say—I can say these things now—that very few countries in the world would have had such an independent and thorough inquiry into an issue like this. The right approach, as Sir Peter Gibson has finished the report on what he was able to do, is that the Intelligence and Security Committee has agreed to look at the issues raised in his report, and it should continue to do so.

Q3. [905450] Stephen Metcalfe (South Basildon and East Thurrock) (Con): As my right hon. Friend has said, perhaps putting current events into perspective, at 7.30 am this Friday we will start the process of commemorating the 100th anniversary of the Battle of the Somme. Will he join me in thanking all those involved in organising the Forget Never project in Basildon, who have done so much to ensure that our young people will learn the lessons of the past? Forgetting our current challenges, will he join me in encouraging everyone to remember, salute and commemorate those who made the ultimate sacrifice?

The Prime Minister: I certainly join my hon. Friend in commending all those who are organising these important events, particularly the event he mentions in his constituency, but also the events up and down the country. It is important, not only because of the appalling slaughter—57,000 people were killed or wounded on the first day of this battle—but because so many people are learning so much about their own family’s involvement. In many ways, there is a link between the current events we are discussing and what happened 100 years ago: the importance of keeping peace, security and stability on our continent. It was noticeable at last night’s European Council dinner that the French President mentioned the Somme commemorations and how proud he was that we would be standing together to remember those sacrifices all those years ago.

Jeremy Corbyn (Islington North) (Lab): I echo the words of the Prime Minister concerning the 36 who died and the 100 injured in the vile terrorist attack at Ataturk airport. I am sure that our consular services will be doing everything they can to assist those affected. I thank him for referring to the current events we are discussing and what happened 100 years ago: the importance of keeping peace, security and stability on our continent. It was noticeable at last night’s European Council dinner that the French President mentioned the Somme commemorations and how proud he was that we would be standing together to remember those sacrifices all those years ago.

The Prime Minister: I think it would be appropriate to pay tribute to Lord Patrick Mayhew, who died last weekend. As Northern Ireland Secretary, he was the driving force behind the Downing Street declaration in 1993, which led to the first ceasefire. I think the relative peace we have now in Northern Ireland is in part thanks to him and of course his successor Mo Mowlam, who achieved so much.

What people in the country are worried about is the extra insecurity for their living standards, jobs, wages and pensions following the EU referendum. In recent days, we have heard uncertain words about the future of some of the major companies in Britain, such as Siemens, which has been here for a very long time. What meetings has the Chancellor had with major companies—Siemens, Visa, Vodafone and others—to try to stabilise the situation?

The Prime Minister: The right hon. Gentleman is absolutely right to mention Patrick Mayhew, who played a huge role in the delivery of the peace process, and he was also a brilliant Attorney General. He exuded a belief in public service in the national interest, and he was a kind and good man. I was very sad to hear of his passing. I sent a message to him via his wife shortly before he died, and I know that many people in the House will want to send their good wishes to his family.

The Leader of the Opposition rightly asked what conversations we are having with business and what preparations we are making to deal with the economic challenges we face. We are in a strong position to meet these challenges, because we have paid down so much of our deficit and we have had strong growth and job creation, but I do not at all belittle the fact that the consequences will be difficult. There are going to be very choppy waters ahead—I do not reside from any of the warnings I gave during the referendum campaign—but we have to find the best way through them.

One of the things we must do is to talk to businesses and reassure them about the stability that there is today and the strength of the British economy. The Business Secretary has met a whole range of businesses already. I have a meeting of my business advisory group tomorrow, and I am inviting other companies to it, including Siemens, which plays a huge role in the British economy.

We need to discuss the reassurances about stability that we can give now and the fact that our circumstances do not change until we leave the European Union, and then I will want to hear from them—as we draw up possible blueprints for Britain’s future position with Europe—what they think will be the right answer.

Jeremy Corbyn: The credit rating agencies have cut the UK credit rating to double A from double A plus. The Chancellor pledged to keep the triple A rating. What estimate have the Government made of the cost to the Exchequer of this downgrade in borrowing costs and risks to pension funds?

The Prime Minister: The Leader of the Opposition is absolutely right that the credit rating of one agency has been taken down by several points and another has put us on watch. To answer his question directly, the cost to the Exchequer and to the taxpayer will depend on what consequences will be difficult. There are going to be very choppy waters ahead—I do not resile from any of the warnings I gave during the referendum campaign—but we have to find the best way through them.

As I have said—Mario Draghi, head of the European Central Bank, confirmed this last night—all the warnings were that if we voted to leave the EU there would be difficulties in our own economy, growth rates and instability in markets. We are seeing those things, and we are well prepared for them in the reaction of the Bank of England and the Treasury, but there is no doubt in my mind that these are going to be difficult economic times. We must make sure we maintain our strong economy so we can cope with them, but we should not belittle the challenges; they are going to be difficult and we are going to have to meet them.

Jeremy Corbyn: All Members of the House should be concerned about indications from business and investors that suggest they see the UK as less attractive, thus putting current and future jobs at risk. In those circumstances, will the Prime Minister consider suspending the Chancellor’s fiscal rule, which is in effect preventing investment?

The Prime Minister: I do not believe that would be the right approach. Business, consumers, investors, and those concerned about our economy want to hear that
we have taken huge steps over the past six years to get the budget deficit down, to make the British economy more competitive, and to make us an attractive destination for investment. They want those things to continue, and one way to react to economic difficulties is to ensure that our public finances and economy remain strong. We should not have taken all the steps of the last six years to get the deficit down just to get us on to a more difficult path. I do not think it would be right to suspend fiscal rules and, as I have said, there are three phases: first, volatility, which the Bank of England and Treasury must cope with; secondly, uncertainty about Britain's future status, which we must bring to an end as fast as possible by examining alternative models and by my successors choosing which one we should go for; and, thirdly, we should bear in mind that long-term damage to the British economy will be based on how good our trading relationship is with the European Union. For my part, I think we want the closest possible trading relationship with the European Union, and that can be discussed and debated in this House as well as by our trading relationship is with the European Union. For my part, I think we want the closest possible trading relationship with the European Union, and that can be discussed and debated in this House as well as by the Government.

Jeremy Corbyn: This week, sadly, there has been more evidence that racist incidents are increasing. Evidence collated by monitoring groups shows that in the past three or four days alone there have been attacks and abuse from Stoke to Stockton, and from Dorset to the Clyde. What monitoring systems have the Prime Minister and the Home Secretary put in place, what reports have they received from the police, and what extra resources will go to communities that have been targeted in those vile racist attacks?

The Prime Minister: I agree that those attacks are appalling. They need to stop, and it is right that all Members of the House, and on both sides of the referendum debate, utterly condemn them. That is not what we do in Britain, and at last night's meeting I reassured the Prime Ministers of countries such as Romania, Poland and the Czech Republic, who were concerned about the issue. We do monitor these attacks. The Home Secretary receives regular reports, and we will soon publish a new action plan on tackling hate crime to step up our response. We want new steps to boost the reporting of hate crime and to support victims, new CPS guidance to prosecutors on racially aggravated crime, a new fund for protective security measures in potentially vulnerable institutions, and additional funding for community organisations so that they can tackle hate crime. Whatever we can do we will do to drive those appalling hate crimes out of our country.

Jeremy Corbyn: I thank the Prime Minister for that answer. The vote last Thursday was a rejection of the status quo—a status quo that clearly is not delivering. There are now 13.5 million people living in poverty in Britain, which is up by 300,000 over the last year. Some 4.5 million people in England and Wales are in insecure work, and two thirds of children in poverty are living in households where at least one adult is in work. The Prime Minister has two months left. Will he leave a one nation legacy that includes the scrapping of the bedroom tax, banning zero-hours contracts, and cancelling cuts to universal credit?

The Prime Minister: I agree with the right hon. Gentleman that of course we need to do more to tackle poverty and to spread wealth and opportunity. However, to try to pretend that last Thursday’s vote was a result of the state of the British economy is complete nonsense. The British economy is incomparably stronger than it was six years ago. We must all reflect on our role in the referendum campaign. The right hon. Gentleman says that he put his back into it; all I say is that I would hate to see him when he is not trying.

Jeremy Corbyn: Government figures released yesterday show that the number of children in this country who are living in poverty has jumped by 200,000 in a year to a disgraceful total of 3.9 million. Should the Prime Minister at the very least apologise to them and to parents who have been failed by his Government, and do something about it so that we reduce child poverty in this country?

The Prime Minister: If the right hon. Gentleman wants to deal with the figures, let me give them to him. Income and inequality have gone down. Average incomes have grown at their fastest rate since 2001. He asks about poverty. There are 300,000 fewer people in relative poverty since 2010 and half a million fewer people in absolute poverty since 2010. If he is looking for excuses about the referendum and the side that he and I were on, frankly he should look somewhere else. I have to say to him—he talks about job insecurity and my two months to go—it might be in my party's interests for him to sit there; it is not in the national interest. I would say: for heaven's sake man, go!

Q8. [905456] Jeremy Quin (Horsham) (Con): While media attention seems to be focused elsewhere, all of us in this House have constituents who have problems that need to be addressed. For weeks and weeks, my constituents have been struggling with the impact of unofficial industrial action on our railways—not over jobs, not over wages, but over who gets to press a button. Will my right hon. Friend condemn this in the strongest possible terms and help to resolve those issues?

The Prime Minister: My hon. Friend is absolutely right. Our transport infrastructure is a crucial part of our economy. I condemn any industrial action that disrupts the travelling public, and rail passengers will not thank the RMT and ASLEF for their recent unnecessary disruption. Frankly, the performance of Southern has been unacceptable and passengers deserve better. I can tell the House we will be providing more generous compensation to passengers affected by the latest strike and the Transport Secretary will be announcing further details soon.

Angus Robertson (Moray) (SNP): We on the Scottish National party Benches join the Prime Minister and the Leader of the official Opposition in our condemnation of the terrorist tragedy in Turkey, and we send our condolences to the people of Turkey.

A strong majority voted for Scotland to remain in the European Union. First Minister Nicola Sturgeon is in Brussels today, where she is meeting the President of the European Commission and the President of the European Parliament. Yesterday, there was a standing ovation in the European Parliament when the case was made to protect Scotland’s place in Europe. What will the UK Government do to protect Scotland’s place in Europe?
The Prime Minister: First of all, let me thank the right hon. Gentleman for what he says about the terrorist attacks and how we should stand together against them.

On the United Kingdom’s future and our relationship with the European Union, we need to negotiate the best possible deal for the United Kingdom and the closest possible relationship. That will also be the best possible deal for Scotland. That is what we need to focus on. That is what needs to be done.

Angus Robertson: On the contrary, the Prime Minister is wrong. Yesterday, the Scottish Parliament, including the Labour party, the Scottish Liberal Democrats and the Greens, passed a motion that “mandates the Scottish Government to have discussions with the UK Government, other devolved administrations, the EU institutions and member states to explore options for protecting Scotland’s relationship with the EU, Scotland’s place in the single market and the social, employment and economic benefits that come from that”.

Every party in the Scottish Parliament voted for that except the Conservative party, which abstained. When will the Conservatives finally join all the other parties in Scotland in protecting Scotland’s place in Europe?

The Prime Minister: The best way to secure Scotland’s place in the single market is for the United Kingdom to negotiate the closest possible relationship with the European Union, including, in my view, the closest relationship with the single market. Our membership of the European Union is a UK membership and that is where we should take our negotiating stance.

Angus Robertson: The story of the automotive industry in Britain over the past decade has been a remarkably positive one: 150,000 people are directly employed, and another 300,000 people are in the supply and components industry, more of which has been coming onshore in recent years. I remember my visit to his constituency very well. We need to secure the best possible deal for Britain and to ensure that we have that full access to the single market, because one of the reasons why so many companies, including General Motors, Nissan, Toyota and Jaguar Land Rover, have invested in Britain is access to that market. I urge General Motors and others to make their voices heard, and we will certainly be listening to them in the weeks ahead.

Michelle Donelan: Yesterday, a former member of my staff was verbally abused and attacked while out shopping in London because of the colour of his skin—he is of Pakistani origin. He was chased down the road by a lady shouting about how we had voted out, and that people like him should vote others and blow people up. Will the Prime Minister reiterate the commitment he has given this morning to do everything in his power to eradicate that evil hatred, and reiterate that leaving the EU should not be used to breed racism but, in fact, the opposite—it should provide us with an opportunity to be much more international rather than just European?

The Prime Minister: We have many imperfections in this country, but we do have a claim to be one of the most successful multi-race, multi-faith and multi-ethnic democracies anywhere on earth, and we should do everything we can to safeguard that. That means having the clearest possible statements from all our political leaders, which we have heard today and should go on hearing. More to the point, we want action by the police and the prosecuting authorities. The laws are there to prosecute people, they should be used, and we will strengthen the guidance in the way that I have suggested. We should absolutely not put up with that in our country.

Q11. Jake Berry (Rossendale and Darwen) (Con): Market traders in Rossendale and Darwen make a huge contribution to our local economy. With that in mind, will my right hon. Friend call, with me and literally thousands of Darweners, to stop Blackburn Council going ahead with its plan to bulldoze Darwen’s three-day market?

The Prime Minister: Let me join my hon. Friend in paying tribute to all the hard-working market traders across the country who provide us with their excellent goods, often locally produced and sourced. I know how important these markets are. I certainly hope the local council will listen carefully to my hon. Friend’s campaign and make sure this historic market is not lost from Darwen altogether.

Q2. Justin Madders (Ellesmere Port and Neston) (Lab): The Prime Minister will recall visiting the Vauxhall car plant in my constituency as part of the referendum campaign. Now that we have voted to leave the EU, we face a fight to keep those jobs in this country, so I will urge General Motors to recognise its responsibility to build vehicles where many are bought. I ask the Prime Minister to ensure that there are early talks with General Motors and the wider motor industry, so that it is given the reassurance needed that it will still be able to export motor vehicles to the EU at a competitive price.

The Prime Minister: The hon. Gentleman is absolutely right. The story of the automotive industry in Britain over the past decade has been a remarkably positive one: 150,000 people are directly employed, and another 300,000 people are in the supply and components industry, one: 150,000 people are directly employed, and another 300,000 people are in the supply and components industry, which has been coming onshore in recent years. I remember my visit to his constituency very well. We need to secure the best possible deal for Britain and to ensure that we have that full access to the single market, because one of the reasons why so many companies, including General Motors, Nissan, Toyota and Jaguar Land Rover, have invested in Britain is access to that market. I urge General Motors and others to make their voices heard, and we will certainly be listening to them in the weeks ahead.

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The Prime Minister: We have many imperfections in this country, but we do have a claim to be one of the most successful multi-race, multi-faith and multi-ethnic democracies anywhere on earth, and we should do everything we can to safeguard that. That means having the clearest possible statements from all our political leaders, which we have heard today and should go on hearing. More to the point, we want action by the police and the prosecuting authorities. The laws are there to prosecute people, they should be used, and we will strengthen the guidance in the way that I have suggested. We should absolutely not put up with that in our country.

Q4. Alex Salmond (Gordon) (SNP): Turning to the Chilcot report, is the Prime Minister satisfied with the arrangements announced for prior access for the service families of soldiers who died in Iraq, given that Mr Blair has had months to prepare his PR defences and that he has seen the relevant passages? What are the parliamentary arrangements for secure prior access, so that the House can properly examine the findings and express any relevant views concerning future suitable accommodation for Mr Blair?

The Prime Minister: First, in terms of members of service personnel families, we have ensured that they will not face the cost that they originally were going to face to access the report. I will check the details on the time they get to access the report and write to the right hon. Gentleman. On the parliamentary process, I can put that in a letter to him so that we are absolutely clear about what time the statement will be, how much time people, including the Leader of the Opposition and other right hon. Gentlemen, will have to study the report in advance. I remember how important having access was to me when I was Leader of the Opposition.

As for those people who could be criticised in the report, the right hon. Gentleman will know that there is a process—letters have to go out so that people have a chance to respond to what is in the report. That is entirely independent of the Government. Ministers have
not seen it and I have not seen it—it has been dealt with by the Chilcot report under long-standing conventions. Again, I will put that in my letter to the right hon. Gentleman.

Sir Alan Duncan (Rutland and Melton) (Con): Moving to more cheerful matters, would my right hon. Friend educate the House from his experience as Prime Minister on how, in terms of their countries’ reputation and success, he would compare the undemonstrative, competence and dignity of Angela Merkel with the theatrical and comical antics of Silvio Berlusconi?

The Prime Minister: Fortunately for my answer, neither of the people my right hon. Friend is talking about is a candidate in the election—an election that I will stay firmly out of. I was given lots of advice on becoming Prime Minister, and one was not to go to a party with Silvio Berlusconi. That is one piece of advice I took and stuck to.

Q5. [905452] Mr Douglas Carswell (Clacton) (UKIP): I thank the Prime Minister for giving us last week’s great exercise in democracy—[Interruption.]

Mr Speaker: Order. The hon. Gentleman will be heard. It is about us and this place, and he will be heard.

Mr Carswell: We on the leave side should recognise that although we won, it was a narrow mandate and plenty of decent, patriotic people voted for remain. Does the Prime Minister agree that both sides now need to come together to achieve a new post-EU national consensus, whereby we have close links with our friends and allies in Europe and beyond, while reclaiming our sovereignty?

The Prime Minister: Let me thank the hon. Gentleman. Gentleman for making the point that there were people with a deep sense of patriotism on both sides of the argument. I also agree that it is time for people and our country to come together. What is more, it is right that we now have to work very hard on the alternatives. Of course, they were discussed and debated in the referendum campaign, but they were hypothetical alternatives; they are now real alternatives, and one of the roles for the Government in the next few months is to set out the different blueprints—the Canada blueprint, the Swiss blueprint, the Norway blueprint and any other blueprints—and to look at the costs and benefits. That way, people can make a reasoned assessment, now that this is a real choice, rather than a hypothetical one.

Sir Roger Gale (North Thanet) (Con): I know that all Kent’s Members of Parliament will wish to be associated with my right hon. Friend’s tribute to the memory of Paddy Mayhew. He was a scholar, a gentleman and a great friend to his younger colleagues.

There are hundreds and thousands of expat United Kingdom citizens living around Europe who did not vote in the referendum. Many are elderly and frail and live on UK pensions and benefits. Will my right hon. Friend seek to ensure that his successor defends their interests?

The Prime Minister: Let me add to my hon. Friend’s comments about Sir Patrick Mayhew. He was a wonderful man and a great public servant, and I know he meant a lot to my hon. Friend and many others.

On the issue of British citizens living overseas, we should reassure people that until Britain leaves the EU, there will be absolutely no change in their status. In the coming weeks, this unit at the heart of Whitehall can go through these issues very methodically and work out what might need to change in all the different scenarios in order to give these people certainty about their future. It is obviously very important that we do that.

Q6. [905453] Mike Gapes (Ilford South) (Lab/Co-op): London is the greatest city in Europe and in the world—[Interruption.]

Mr Speaker: Order. I have enjoyed listening to the hon. Gentleman for 25 years, and I want to continue to hear him. Let us hear Mr Gapes.

Mike Gapes: Its prosperity and tax revenue are vital for the whole of the United Kingdom. London voted remain. Does the Prime Minister agree with the Mayor of London—a Labour winner, Sadiq Khan—that London now needs to remain in the European single market, and that it needs additional devolved powers to deal with the problems caused by the vote last week?

The Prime Minister: I certainly agree with the Mayor of London not only that London is the greatest city on earth but that London needs to make its voice heard in these vital negotiations. Obviously, there are many vital industries in London, but it is the capital not only of the UK’s financial services but of Europe’s financial services, and securing the best possible access to the single market will be a very important challenge in these negotiations. So London should have its voice heard. This is a UK negotiation, but we should listen to the nations of the UK as well as to the cities and the regions.

Mr Bernard Jenkin (Harwich and North Essex) (Con): May I take this opportunity to pay tribute to my right hon. Friend for his premiership and for the many achievements of his Government, of which we can be proud? I also condemn his condemnation of the vile racist attacks that have been reported from all over the country. Will he take this opportunity to condemn the ridiculous and revolting behaviour of a certain MEP in the European Parliament yesterday and make it clear that that MEP does not represent this country and he does not represent—[Interruption.]

Mr Speaker: Order. We cannot have people adding their own take on these matters. [Interruption.] Order. The hon. Gentleman has the Floor—[Interruption.] Order. I do not need any help from the Scottish National party Benches; I am perfectly capable of discharging my responsibilities. The hon. Gentleman will be heard, and that is all there is to it.

Mr Jenkin: I am grateful, Mr Speaker. That MEP does not represent this country and he does not represent even the vast majority of patriotic and law-abiding people who voted leave in the referendum.

The Prime Minister: Let me thank my hon. Friend for his kind remarks and congratulate him on the role he played in the campaign. As for what MEPs and others have said, people should judge them by the remarks they make. I have made clear what I felt about Nigel
Farage and that appalling poster in the campaign. I think the motive was absolutely clear and everyone can see what he was trying to do.

Q7. [905455] Nick Thomas-Symonds (Torfaen) (Lab): My constituency of Torfaen has received substantial amounts of EU funding. The leave campaign in the referendum promised that that funding would continue even if we left the European Union. Does the Prime Minister agree with me that if my constituency loses a penny piece of its funding under his successor, that would be a gross betrayal?

The Prime Minister: It is the case that Wales as whole is a net beneficiary of EU funds. As I said throughout the campaign, if the vote was a no vote, I would want to do everything I could to make sure that we continued to help disadvantaged regions and our farmers. Obviously it is difficult for anyone to give guarantees, because we do not know exactly what will happen to our economy in the event of a leave vote, and our economy does face challenges. It will be a matter for my successor as we leave the EU to make good on what they said at the time.

Maggie Throup (Erewash) (Con): I am pleased to announce that residents from across Erewash have chosen the Rocking Horse nursery entry as the winning card for my “design a birthday card for the Queen” competition. Will the Prime Minister congratulate the 207 children who entered the competition?

Mr Speaker: Order. I want to hear about these pupils—[Interruption.] Order. I want to hear about these pupils who should rightly be congratulated. Let us hear the hon. Lady.

The Prime Minister: There are many ways in which Members of Parliament are able to interact at a more human level with our constituents, and get them to make birthday cards and Christmas cards is an excellent idea. I once got it slightly wrong. Having Brize Norton in my constituency, someone did a Christmas card with Santa letting presents out of the back of a C-17. I thought it was excellent, but some of my constituents felt that Santa was carpet bombing rather than handing out largesse. With that proviso, it sounds a very good idea, and I am sure Her Majesty will be delighted to receive these cards.

The Prime Minister: It is the case that Wales as whole is a net beneficiary of EU funds. As I said throughout the campaign, if the vote was a no vote, I would want to do everything I could to make sure that we continued to help disadvantaged regions and our farmers. Obviously it is difficult for anyone to give guarantees, because we do not know exactly what will happen to our economy in the event of a leave vote, and our economy does face challenges. It will be a matter for my successor as we leave the EU to make good on what they said at the time.

Maggie Throup: Will the Prime Minister congratulate the 207 children who entered the competition on their amazing designs, and will he agree to present the cards to Her Majesty at his next audience?

Q10. [905458] Simon Danczuk (Rochdale) (Ind): Grade I listed Rochdale town hall has been described as possessing a “rare picturesque beauty”, but a bid to renovate that iconic building was rejected by the Heritage Lottery Fund in April. All five of the projects that were awarded grants are based in the south of England. Would the Prime Minister consider supporting the renovation of this fantastic municipal building?

The Prime Minister: The hon. Gentleman is right. It is a beautiful building, and it is an historic town that he represents. As for what he said about the Heritage Lottery Fund, I think he was being a little unfair in focusing on those last five projects. If he looks more broadly, he will find that, for instance, the Blackpool Museum—I think—received a grant of more than £13 million. I believe that the position is fairly balanced across the country, but I will look into it further, and, perhaps, write to the hon. Gentleman about both the general point and the specific issue of his town hall.

James Berry (Kingston and Surbiton) (Con): As well as Brits living abroad in the European Union, there are a number of EU nationals living in this country—including my constituency—who are working hard and paying their taxes, entirely legitimately. What reassurance can the Prime Minister give them that their position is secure? I know that a number of them are very concerned.

The Prime Minister: I think that the first thing we should do is appraise the contribution that those people make to our country. There are 50,000 EU nationals working in our NHS and 60,000 working in our care sector, looking after our elderly as they approach the end of their lives. There are also many working in education.

As I said quite exhaustively on Monday, we can obviously say that all rights are guaranteed, as we are members of the European Union. In the future, we will have to make sure—and I have heard members of the
leave campaign make this point—that people who are already here, people who are already studying or working, must have their rights and their access guaranteed. However, we cannot say that now; we will have to say it as part of the negotiation that will shortly take place.

Q12. Jim Shannon (Strangford) (DUP): May I join in the tributes paid to the Prime Minister for all that he has done during his time in office? Does he agree that, whatever the disagreements about the European Union—he was in the remain camp, while my party and I were part of the leave campaign—the Union that really matters is the United Kingdom of Great Britain and Northern Ireland, and preserving it should be of the utmost importance? It works, and it is staying together. What is being done to ensure that that continues during the Prime Minister’s remaining time in office?

The Prime Minister: I thank the hon. Gentleman for his remarks. I agree with him that keeping the United Kingdom together is an absolutely paramount national interest for our country. Because of the decision that has been made about Europe, there need to be exhaustive conversations between officials in Whitehall and in Northern Ireland, and we need to have very strong relations with the Republic of Ireland, so that we can keep the benefits of the common travel area.

The hon. Gentleman has always supported one blue team, Leicester City. I hope that one day he will support another blue team, but there we are.

Kevin Hollinrake (Thirsk and Malton) (Con): Having been members of the single market for more than four decades, many businesses have deeply embedded supply chains and customer relationships throughout the European Union. Does the Prime Minister agree that any future deal with the EU must include access to the single market?

The Prime Minister: My hon. Friend is absolutely right, but, obviously, the term “access to the single market” has many potential meanings. Countries that are outside the EU have access to the single market, some through a trade deal and others through World Trade Organisation rules. Obviously the best access is through membership of the single market. What the country will have to decide—and what the next Prime Minister will have to decide—is what sort of access we want, and what are the costs and benefits of that access. I am sure we will talk about that in a moment when I make my statement on the European Council.

Q13. Neil Gray (Airdrie and Shotts) (SNP): The Prime Minister will be aware that Terex Trucks in my constituency is consulting its staff and unions this week about the shedding of a sixth of its workforce. The company has approached the UK Government for support from UK Export Finance, but from a £40 billion fund it has received only a guarantee to the value of one of its trucks. Will the Prime Minister commit himself to meeting me to discuss the perilous position of the company and its workforce, and what support his Government can provide?

The Prime Minister: I am aware of the recent announcement about the further job losses. This is obviously going to be a difficult time for the workers and their families. I understand that both the Scottish and UK Governments have been working closely together with the company over the past couple of years as part of the partnership action for continuing employment scheme. My right hon. Friend the Secretary of State for Scotland is also keeping a close eye on the situation, and I am happy to arrange a meeting between him and the hon. Gentleman to talk about what more can be done.
The Prime Minister (Mr David Cameron): With permission, Mr Speaker, I will make a statement on yesterday’s European Council. This was the first Council since Britain decided to leave the European Union. The decision was accepted and we began constructive discussions about how to ensure a strong relationship between Britain and the countries of the EU, but before the discussion on Britain there were other items on the agenda. Let me briefly touch on them.

On migration, the Council noted the very significant reductions in illegal crossings from Turkey to Greece as a result of the agreement made with Turkey in March, but it expressed continued concern over the central Mediterranean route and a determination to do all we can to combat people smuggling via Libya. Britain continues to play a leading role in Operation Sophia with HMS Enterprise, and I can tell the House today that Royal Fleet Auxiliary Mounts Bay will also be deployed to stop the flow of weapons to terrorists, particularly Daesh, in Libya.

On NATO, Secretary General Stoltenberg gave a presentation ahead of the Warsaw summit and the Council agreed the need for NATO and the EU to work together in a complementary way to strengthen our security.

On completing the single market, there were important commitments on the digital single market, including that EU residents will be able to travel with the digital content they have purchased or subscribed to at home. On the economic situation, the president of the European Central Bank gave a presentation in the light of the outcome of our referendum. Private sector forecasts discussed at the Council included estimates of a reduction in eurozone growth potentially between 0.3% and 0.5% over the next three years. One of the main explanations for that is the predicted slowdown in the UK economy, given our trade with the euro area. President Draghi reassured the Council that the ECB has worked with the Bank of England for many months to prepare for uncertainty and, in the face of continued volatility, our institutions will continue to monitor markets and act as necessary.

To return to the main discussions around Britain leaving the EU, the tone of the meeting was one of sadness and regret, but there was agreement that the decision of the British people should be respected and we had positive discussions about the relationship we want to see between Britain and our European partners and the next steps on leaving the EU, including some of the issues that will need to be worked through. Secondly, we discussed some of the issues that will need to be worked through, and I explained that in Britain there was great concern about the movement of people and the challenges of controlling immigration, as well as concerns about the issue of sovereignty. Indeed, I explained how those had come together. In turn, many of our European partners were clear that it is impossible to have all the benefits of membership without some of the costs of membership, and that is something that the next Prime Minister and their Cabinet are going to have to work through very carefully.

Third, on the timing of article 50, contrary to some expectations there was not a great clamour for Britain to trigger this straightaway. While there were one or two voices calling for this, the overwhelming view of my fellow leaders was that we need to take some time to get this right. Of course, everyone wants to see a clear blueprint in terms of what Britain thinks is right for its future relationship with the EU, and, as I explained in my statement on Monday, we are starting this work straightaway with the new unit in Whitehall, which will be led by a new permanent secretary, Oliver Robbins.

This unit will examine all the options and possibilities in a neutral way, setting out the costs and benefits so that the next Prime Minister and their Cabinet have all the information they need with which to determine exactly the right approach to take and the right outcome to try and negotiate. But the decisions that follow from this, including the triggering of article 50, are rightly for the next Prime Minister, and the Council clearly understood and, I believe, respected that.

I do not think it is a secret that I have, at times, found discussions in Brussels frustrating, but, despite that, I do believe we can be proud of what we have achieved,
whether it is putting a greater focus on jobs and growth, cutting the EU budget in real terms for the first time, reducing the burden of red tape on business, or building common positions on issues of national security, such as sanctions to stop Iran getting a nuclear weapon, standing up to Russian aggression in Ukraine, and galvanising other European countries to help with the lead that Britain was taking in dealing with Ebola in Sierra Leone.

In all these ways, and more, we have shown how much more we have in common with our European partners as neighbours and allies and friends who share fundamental values, history and culture. It is a poignant reminder that while we will be leaving the European Union, we must continue to work together, for the security and prosperity of our people for generations to come. I commend this statement to the House.

12.46 pm

Jeremy Corbyn (Islington North) (Lab): I thank the Prime Minister for providing an advance copy of his statement. As he took part in what I assume will be his last ever EU Council summit, I was very pleased he took a more conciliatory tone in relation to our European neighbours than Nigel Farage did in the European Parliament yesterday.

As we negotiate our exit from the European Union, the British people are relying on the Government to facilitate as positive a transition as possible, and if we are to achieve this, we must proceed in a constructive and decent manner. I look forward to joining the Prime Minister, as I said at Question Time, at the commemoration of the Somme on Friday. He was right, too, to emphasise the role played by Britain in Europe in negotiating agreement with Iran and securing support for action to tackle the Ebola crisis in Sierra Leone. So I thank the Prime Minister for that.

Yesterday the Prime Minister said at the EU Council summit that in order to strike a new relationship between Britain and the EU, European leaders would have to offer the UK more control over immigration. The threat of losing access to the single market means we are already seeing a negative effect on investment and business in this country. On Monday, the Prime Minister said access to the single market without accepting free movement was impossible. Does the Prime Minister now believe that Britain can negotiate an unprecedented deal? Can he also spell out a little more clearly than in his statement what further discussions were held in this area? This is an issue on which there needs to be an open debate—dare I say, an open and “straight-talking” debate, that absolutely failed to materialise during much of the referendum campaign.

The Prime Minister stated in the House on Monday that article 50 will not be triggered until his successor is in place. I heard what he just said about the views of other leaders at the summit. When does he expect article 50 actually to be triggered so we will know what the negotiating timetable is?

As I raised in my response to the Prime Minister on Monday, we in this House have a duty to act in the national interest and ensure we get the best agreement for all our constituents. Does the Prime Minister feel that, without the structures in place for this House to debate the alternatives and lead a discussion in our communities, there is a risk of leaving Britain in a state of paralysis at a time when people need clear answers to their concerns? Will he also be able to tell us if there has been any further thought about the role of devolved Governments in future negotiations with the EU? We have seen today the First Minister of Scotland creating her own separate negotiating group and starting talks with the EU and it appears the Chief Minister of Gibraltar is doing the same. What conversations has the Prime Minister had with the First Ministers in Scotland and Wales and what legal advice has he received on separate negotiations by devolved Administrations and, indeed, overseas territories? I welcome the Prime Minister’s commitment that HMS Enterprise will continue to play its part in Operation Sophia.

Last week’s vote to leave the EU means that this country is currently in an unstable position. The next steps we take may be our most important and they must be taken with care. We have a duty now to reshape and rebuild an economy for the future—one that protects social and employment rights and builds new policies on trade, migration, environmental protection and investment, in order to deliver a country in which the prosperity that we create is shared by all. Therefore I urge the Prime Minister, and whoever his successor may be, to recognise that what our economy needs now is a clear plan for investment, not the further austerity and cuts to public services that the Chancellor put forward yesterday. I also urge the Prime Minister and his successor, one more time, to look at the suspension, and preferably the termination, of his now even more counterproductive fiscal rule.

I thank the Prime Minister for his assurances and his condemnation of racist attacks and abuse, wherever they occur in this country. I join him in that. We all need to calm our language and tone, and Members in all parts of the House must condemn the rise of racism in our society. Will he also reiterate absolutely his assurance to European Union nationals who are working here, providing support in our health service and in so many other services, that they are welcome and will remain welcome because of the work they do and the contribution they make? Our country is divided, so we must heal that division. Our economy is fragile, so we must begin to rebuild it. Our duty now is to move forward in a calm and conciliatory manner to build a new relationship with Europe and to build a Britain that works for everyone in every part of this country.

The Prime Minister: I thank the right hon. Gentleman for his response and for the way he has gone about it. He is right to say that “constructive” is the correct word. I was pleased that the discussions last night did not have a tone of European Union countries demanding this set of actions while Britain argued for that set of actions. There was a mature and calm understanding that we need each other and that we need this negotiation to proceed well and have a good outcome. That is in all our interests. I think we got off on the right foot, and I will do everything I can—whether in this job or as a Back-Bench MP—to ensure that we keep those strong relationships with our European partners, because we are going to need to.

On the issue of immigration versus the single market, the right hon. Gentleman is right to say that this is the biggest and most difficult issue to deal with, whether we
are in the European Union arguing for changes or outside it and trying to secure the best possible access to the single market. My answer to the problem was to bring in the welfare restrictions that I negotiated. It was incredibly tough to negotiate them, and I am sad that they will now fall away as a result of the referendum decision. There is no doubt that the next Government are going to have to work very hard on this. I personally think that access to the single market and the strength of our economy will be the single most important issue that they will have to deal with.

On the question of article 50, that will be a matter for the next Prime Minister, and there is a very good reason for that. Before we go into the tunnel of the article 50 negotiations, which have a two-year time limit, we will want to have made the best possible preparations for the precise blueprint that we want to achieve at the end. That will help Britain, and frankly it will help the other European Union countries to understand what it is that we are shooting for. They have said that there can be no negotiation without notification, but I do not think that that excludes discussions between the new Prime Minister and partners or institutions, so that we can continue to get on the right foot. That is the strong advice that I would give to them.

The right hon. Gentleman asked about the devolved institutions. I have had conversations with the First Minister of Scotland, the First Minister of Wales and the First Minister and Deputy First Minister of Northern Ireland, and I shall continue to do so. I want them to be as involved as possible and I want their voices to be heard loud and clear.

The right hon. Gentleman also asked about legal advice, and the legal advice that I have seen is that this is a UK decision to be made by the United Kingdom Government and the United Kingdom Parliament. It has to be done in that way. I completely agree with what he said about racism. We should all reiterate the statements that we have made to the EU nationals who are here. We should thank them for their contribution and say that their rights are guaranteed while we remain in the EU and we will be working hard on that question. I am sure that all the contenders in the Conservative leadership campaign will want to make it clear that they want to safeguard for the future the rights of people from the European Union who work here and study here, but that will be a matter for them.

Finally, the right hon. Gentleman asked about suspending the fiscal rule. This feels a little bit like a stuck record. Whatever the problem or issue, his answer always seems to be: more borrowing, more spending, more taxing and more debt. I have to say that you do not get investment unless you have economic stability, and you do not have economic stability if you do not have a plan for dealing with your debts and your deficit. This has been proved the world over, including in some of his favourite countries such as Venezuela, and I really would argue against going down that route.

Sir William Cash (Stone) (Con): My right hon. Friend has quite rightly referred to trade and co-operation with the European Union, and we on the leave side have always argued for that. Will he, however, give us some further advice? He is talking about very precise blueprints and about alternative models. Will he give us an absolute assurance that any such models or blueprints will be exclusively based on the assumption that we are repealing the European Communities Act 1972?

The Prime Minister: We are leaving the European Union, so surely that must be the case. The reassurance that I can give my hon. Friend is that I am not saying that there are only four or five blueprints and that Britain has to follow any one of those. Obviously, we can try to amend blueprints and have Norway-plus or Norway-minus or a better trade deal than Canada. It is important for colleagues in the House and people in the country to understand that there are some quite fundamental questions about whether we want full unrestricted access to the single market and the price we might have to pay in return, or whether we will be satisfied to have less than full access along with some other compensating advantages. We have to go through all those questions, and the more we can attach facts and figures to them, the more we will enable people to make an informed choice.

Angus Robertson (Moray) (SNP): Since the Prime Minister returned from Brussels, for the first time in 40 years member states from the rest of the EU have remained there to discuss the future of Europe. While the Prime Minister is not in Brussels, Scotland’s First Minister Nicola Sturgeon is in Brussels. She has gone there to protect Scotland’s interests in Europe and to preserve our place in Europe. She has met the President of the European Commission and the President of the European Parliament. She is also meeting one of the key European negotiators on Brexit, the former Prime Minister of Belgium, Guy Verhofstadt. The First Minister has also spoken to the Taoiseach, Enda Kenny, and will be meeting diplomats from other EU member states. Nicola Sturgeon is doing this with a mandate from the Scottish Parliament, with support from the Labour party, the Liberal Democrats and the Scottish Green party. An expert group has been established to advise on protecting our place in Europe. It includes eminent diplomats, economists and constitutional experts. These include a former British judge in the European Court of Justice, the former British ambassador to NATO, the former economic adviser to the European Commission and the former permanent under-secretary at the Foreign and Commonwealth Office and head of the UK diplomatic service.

We all need to explore ways to protect Scotland’s relationship with the European Union, Scotland’s place in the single market and the social, employment and economic benefits that come from that. I want to ask the Prime Minister whether he even raised the question of Scotland at the Council of Ministers. Did he say that Scotland wanted to stay in the European Union? Did he say that Gibraltar wanted to stay in the European Union? Did he say that London wanted to protect its important position in Europe? When are we going to get some leadership on this from the UK Government? Or is he just going to stand by and watch England leave the European Union and declare independence from the rest of the United Kingdom?

The Prime Minister: Yes, there is a meeting of the 27 other members of the European Union this morning, and that was always going to happen if we made the
decision to leave because, just as we must prepare our negotiating position, they will want to prepare theirs. The good thing about last night’s conversation was that it started off on a very reasonable, fair and constructive basis. I am glad that the First Minister of Scotland is having those meetings. It is always useful to meet and talk to our European counterparts, but at the end of the day, the best way we can secure the best possible access for Scotland into the single market is for the United Kingdom to negotiate as hard as it can, as one.

To answer his specific question about whether I talked about Scotland last night, yes I did; I talked about this Parliament and I talked about Scotland. In managing last night’s meeting, we took a bit of a cue from what happens in this House. I set out what I thought was the result of the referendum and why. I set out what I believe would be the aims of Britain and the United Kingdom and I explained how different parts of the United Kingdom voted. All the other 27 members then spoke, many asking questions, and I answered all their questions at the end of the dinner as fully as I could, as I do in this House. A little bit of British parliamentary practice was introduced into the European Council and I think it was a good way of doing things.

Mr Speaker: It was without a shadow of a doubt very good for the European Council as well.

Dr Liam Fox (North Somerset) (Con): On that subject, did my right hon. Friend the Prime Minister reiterate to the European Council that the United Kingdom does not have a federal structure? We did not vote in the referendum as England, Scotland, Wales and Northern Ireland, or even London, but as British citizens, each with an equal voice and equal weight. All future decisions must be taken by the United Kingdom Government and no one else.

Such was the importance of free movement of people in the referendum, does the Prime Minister also accept that any future deal with our European partners that includes free movement would be regarded as a betrayal by the millions who voted to leave?

The Prime Minister: I did emphasise that it was a UK decision, but also that the UK will want to listen carefully to all the constituent nations and to the views of their Ministers and their Parliaments in setting out the negotiation that we want to carry on. As for the free movement of people, that will be for the next Prime Minister, Government and Parliament to decide on. I am in no doubt, however, that it is the difficult issue. Frankly, it is a difficult issue when inside the EU and with all the negotiating ability to try to change things. In many ways it will be even more difficult from outside, if we want full access to the single market, to secure changes. Nevertheless, that is the challenge.

I explained very clearly to the meeting that that was my reading of the referendum result and that it was a coming together of concern about free movement of people and migration combined with a sense of control and sovereignty over that. I said that I was very sad at the result. The economic case for staying in was very strong, but if we want to make this relationship work, whether out or in, we have to listen to people and try to find a way through this.

Tim Farron (Westmorland and Lonsdale) (LD): I thank the Prime Minister for his statement. In his discussions yesterday, was he aware of a growing mood among Heads of Government across the European Union—I certainly saw it among the seven Liberal Prime Ministers to whom I spoke yesterday—that given that three quarters of Britain’s young people voted to remain in Europe, they should be permitted, as far as possible, to remain in Europe? What can be done to ensure that young people are allowed access to Europe—perhaps even over and above the rest of us?

Is the Prime Minister also aware of the great concern among many communities that depend on European funding? Most important perhaps are Britain’s farmers, many of whom are deeply worried about the loss of CAP payments at some point in the next two years. Will the Prime Minister guarantee today that British farmers, particularly livestock and dairy farmers, will continue to receive direct payments to keep them in business even after we leave the European Union—if we do?

The Prime Minister: On young people, the hon. Gentleman is right that people want the opportunities to work, to travel and to study. One of the things that the EU unit will need to do is to work out the precise nature of agreements such as the Erasmus programme and what access we can have to them from outside the EU.

On funding, the European budget between 2014 and 2020 has been set out, including the amount of money that goes to our farmers. What I can guarantee is that those payments will continue while we are in and that contracts will obviously be honoured, but it will be for a future Government to determine at the point of departure what payments we should continue to make to our farmers. If it was me making that decision, I am keen to have a living, working countryside, but we will have to go through those options and a future Prime Minister will have to decide.

Crispin Blunt (Reigate) (Con): Does the Prime Minister agree with the unanimous view of the Foreign Affairs Committee that the construction of article 50 means that it is perfectly likely that there will be no agreement on the other side of the negotiations, which will require qualified majority voting, or agreement in the European Parliament at the end of the two years? As such, we would still have access to the single market but would be subject to World Trade Organisation most-favoured-nation terms. Since that would mean no free movement of people and no payments into the budget, that would represent a perfectly sound bottom line for the United Kingdom in the negotiations. It is likely that other advances will be made on that before we arrive at a deeper, comprehensive free trade agreement.

Will the Prime Minister also tell us about the fate of the British presidency next year? We will still be a full member, so are we going to take up our responsibilities?

Mr Speaker: The hon. Gentleman must practice. We will be hearing from him regularly given the illustrious position that he holds, but I am afraid he must be briefer than that.

The Prime Minister: I did look at the Foreign Affairs Committee report, and while I am not fully liberated and able to say what I think, I thought that the conclusions
were—[Hon. Members: “Go on!”] I was thinking of a place in London close to Dagenham, but I won’t go there.

If we leave the EU and have no deal in place, the WTO tariffs involve 10% on cars, 12% on clothes and 36% on some dairy produce. It would not be a good outcome for the United Kingdom. I will look at the Foreign Affairs Committee report as we get this unit up and running and look at all the alternatives, but I really think that that would not be a good outcome for the United Kingdom. On the presidency, no decisions have been made.

Mr Nigel Dodds (Belfast North) (DUP): May I thank the Prime Minister for his service to this country, for his support of Northern Ireland and the Northern Ireland Executive through very difficult times during his premiership and for his support of the United Kingdom? He and his family have my very best wishes for the future.

Regarding the EU summit, will the Prime Minister spell out again our commitment to NATO, not least to reassure our partners in central and eastern Europe? Our European partners, who are now speaking somewhat ill of our decision last Thursday, should be reminded that the UK is one of NATO’s main contributors and a firm supporter of European defence and security and that they should play a greater role in contributing to European defence, along with the Americans and ourselves. The wider perspective needs to be considered in all of this. The EU is an important single market, but NATO and the defence and security of Europe, not least with regard to Russian aggression, need to be strongly borne in mind.

The Prime Minister: I thank the right hon. Gentleman for his kind remarks. He is right that our commitment to and membership of NATO, an important organisation, continues. He is also right that our spending of 2% of national output is now responsible for a large share of the overall European commitment and that we should be encouraging others to increase their spending. We must ensure that our membership of NATO continues and that we are not disadvantaged by being in one and out of the other.

Mrs Caroline Spelman (Meriden) (Con): My right hon. Friend consistently made the case for British car workers. Indeed, he made his final appeal to the country from Birmingham, which was much appreciated. Does he agree that reciprocity between the UK and the EU is absolutely vital in protecting the hundreds and thousands of jobs that depend on our access to that principal market?

The Prime Minister: I grateful for what my right hon. Friend says. Anyone who thinks that something of a manufacturing renaissance is not happening in Britain should go to that Jaguar Land Rover plant. Seven or eight years ago there were 4,000 people there; there are now 14,000. It is about not just manufacture and assembly, but design, R and D and technology. The company is taking on hundreds of apprentices every year. It is a magnificent car plant and we want to see more of them. It is absolutely crucial for companies such as that that we keep the European market open, and it is crucial that they keep investing in our country rather than in countries inside the European Union. That will always be an alternative, which draws into sharp relief the importance of maintaining strong access to the single market.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): There is obviously a difference between future free movement reform and the position of existing residents. The Prime Minister said earlier that we could not confirm residency or employment rights for EU citizens who already live here until the negotiations were under way, but why is that the case? Given that the matter is being exploited by awful “go home” or repatriation campaigns, we should take a firm stance against them and pass some swift motions or legislation or new immigration rules in this House before the summer recess to put an end to that speculation and to provide reassurance to EU citizens who may have worked here for many years. I urge the Prime Minister to consider that because it would be a wise thing to do for the sake of community cohesion.

The Prime Minister: Obviously, I will look very carefully at what the right hon. Lady says. I have tried to answer the question as accurately, factually and legally as I can. If we come out of this negotiation arguing for visa requirements, restrictions on numbers, quotas, work permits or whatever for European nationals to come here—this will be for a future Government—other countries might take reciprocal action against British citizens trying to travel, work and live in other countries. Even if that were to happen, the answer would be to guarantee the status of anybody here now. We can say that while we are in the European Union, but it is for a future Prime Minister to make that decision.

Sir Eric Pickles (Brentwood and Ongar) (Con): I readily understand that, on economic issues, negotiations will be long and protracted, but on our automatic co-operation on matters of security, both at formal and informal meetings, we have seen a big improvement in the past few years. I cannot see that that should be much of a weighty negotiating piece. Surely it makes sense to ensure that those formal and informal meetings continue in order to deal with both terrorism and economic crime.

The Prime Minister: My right hon. Friend puts it very well. There are a number of informal mechanisms that have grown up, including the counter-terrorism group of countries, mostly from the European Union, and very high-level meetings between our intelligence and security services. There are also quite a lot of now growing mechanisms within the EU, such as the Schengen Information System and the watch lists for people travelling between European Union countries, some of which are very much bound up in EU institutions and rules. People may like that or not, but the fact is they exist and we will have to work out—we can start that now—how to maintain access to as much of that as is possible for our national security.

Kate Hoey (Vauxhall) (Lab): Will the Prime Minister explain to the millions of people who voted to leave why, in the next few months while we await a new Prime
Minister, this country, using all the professionalism of Her Majesty's Government, cannot start talking and negotiating—informally perhaps—with Canada, Australia, Malaysia and all those other countries that will be desperately keen to sign up to a trade agreement? Why can we not do some of those things? If we are still paying our full amount into the European Union, will we have to sign up to every single directive that comes through in the next two years?

The Prime Minister: On the hon. Lady's point about Canada, Australia, Malaysia and Indonesia, of course we can start those conversations. It is difficult to start full-on trade negotiations because until we know the relationship between Britain and the European Union single market it would be quite difficult to get into an intensive discussion, but we can certainly have some pathfinding discussions. On the issue of EU directives, we must be very clear that we are members of this organisation and that we pay into this organisation. That continues until the day we leave. Therefore, we have to obey the rules and laws—we would not expect other EU countries suddenly not to obey the rules with respect to us. That is important. On the decisions that have to be made right now, there are those that must be made for legal and practical reasons. There may be some decisions that can be put off for a month or two so that we can get in place a new Government who can think of them in the context of the renegotiation, but we should not do anything that breaks the law.

Mr Mark Prisk (Hertford and Stortford) (Con): Although we are naturally focused on our future role in Europe, our friends in the Baltic nations are concerned about their immediate risks across the border—risks related to both military and cyberspace matters. Is my right hon. Friend satisfied that all that can be done to stand by our friends is being done both within NATO and the European Union?

The Prime Minister: My hon. Friend makes a very good point. Yes, enough is being done. We have the Warsaw summit coming up where we will be playing quite a big role in ensuring that there is a visible military presence in the Baltic states of Lithuania, Latvia and Estonia. We will be playing our part and the Americans will be playing theirs. It is important that we keep up that reassurance, because, for those states, this is the key. We should not do anything that breaks the law.

Mr David Nuttall (Bury North) (Con): May I thank the Prime Minister not just for his statement today, but for all the work he has done over the past six years to protect UK interests at these European Council meetings? With respect to the meeting yesterday, did he detect any regret on the part of other EU leaders that they did not make more concessions when he sought to renegotiate our terms of membership?

The Prime Minister: That is a very good question, and one that I am quite keen to answer. The sense in the European Council was that it had bent over backwards to give to a country that already had a special status—out of the euro and out of the Schengen System—things that they found profoundly uncomfortable. Many of those countries really do believe in ever-closer political union however wrong we might think it is here in this country, and they hated saying to Britain, “Right, you are out of this.” That really pained them, but they did it. They particularly disliked having to agree to cut welfare benefits for their own citizens, because that is what they signed up to do. I believe, and will always believe, that it was a good negotiation. It did not solve all of Britain's problems, and I never said that it did, but it certainly addressed some of the biggest concerns that the British people had. I would like to know whether there is more that could have been done, but the very strong sense that I get is that this issue of full access to the single market and reform of free movement is very, very difficult. We achieved some reforms of free movement, but the idea that there is an enormous change to free movement, particularly from outside the EU, is a very tough call and people have to think that through very carefully before we get into the negotiations.

Mr Ben Bradshaw (Exeter) (Lab): The referendum was about our membership of the European Union and not about our membership of the single market. Given the very grave damage that is already being done to our economy because of the uncertainty, will the Prime Minister call on all of those in this House who aspire to lead this country to commit themselves to keeping Britain in the single market with full access?

The Prime Minister: The right hon. Gentleman makes an important point. This is one of the key arguments. When I examine why I have always believed that we are better off in, even though I have wanted to see reform, it has always come down to this: the single market exists, we are in it, and it will go on existing even if we leave it and it has a profound effect on our economic, business,
political and national life. I certainly urge my colleagues to aim for the greatest possible access, but, obviously, they will have to think about what the benefits and disbenefits of that route are.

Mr John Baron (Basildon and Billericay) (Con): Does the Prime Minister accept that, when negotiating with the EU, we should remember our many strengths? One of the strongest economies, Britain has many competitive advantages that would more than compensate for any tariffs, which the World Trade Organisation will ensure cannot be punitive even if they were imposed. Furthermore, nations around the world, including Australia and New Zealand, are already knocking at our door with regard to trade deals.

The Prime Minister: Certainly no one is more impressed by the strength of the British economy than I am. It is strong, and it has a lot of advantages and many key industries that are admired the world over. We have to recognise that it will be a hard and difficult negotiation in many ways, because we are negotiating with a bloc of 440 million people, but we should make the most of our strengths. I would avoid tariffs, though. The idea that tariffs can be compensated for in other ways is quite dangerous. If we think of the car companies and others that want to come and invest here, they do not want to do that and then pay tariffs as they sell into the European single market, so I think tariffs are, on the whole, to be avoided.

Mr David Winnick (Walsall North) (Lab): The leave campaign undoubtedly made totally false pledges, which have all been exposed accordingly, but on the issue that has been raised on a number of occasions today, does not some of the responsibility for the result lie with the EU leadership, which showed no flexibility whatsoever over an issue that is certainly important in the area that I have the honour to represent—the issue of free movement of labour? EU law did not come down with the 10 commandments.

The Prime Minister: For once, I have great sympathy with the hon. Gentleman. That was why I chose to aim at the issue by saying that people could come here and work, but could not get full access to our welfare system for four years. That addressed the concern that his and my constituents have that there should not be something for nothing. The point that we have to understand is that European Union countries see the single market as consisting not only of the free movement of goods, people, services and capital. They see those things bound together, but they also see the single market as including the payments that countries make into the EU to strengthen the weakest members and those that have recently recovered from communism. Of course, one can try to negotiate amendments to these movements—and I did—but one has to think about that mindset as we go into the negotiation.

Sir Oliver Heald (North East Hertfordshire) (Con): The Prime Minister will be aware that North Hertfordshire voted to stay in the EU. Many of our businesses rely on the single market, and many of my constituents work in London in insurance, financial services and legal work. Does he agree that part of this negotiation must be about the passporting arrangements that enable these service interests to do so well? I do not know whether that was mentioned at the European Council. May I also thank him for everything he has done?

The Prime Minister: I thank my hon. and learned Friend for his remarks. The issue of passporting will loom large in the negotiations because financial services are 7% of our economy and two thirds of the jobs are outside London. We are the financial centre for Europe—40% of financial services are in Europe—and we will be strong in that area whatever the outcome, but it is undoubtedly true that the passport does help British firms, and it helps other countries’ firms come to Britain. One of the reasons why the Swiss banks are here in such large measure is that they do not get passporting rights through Switzerland. This should be a very important feature; it is one of the aspects of what access to the single market actually means.

Dr Alasdair McDonnell (Belfast South) (SDLP): I thank the Prime Minister for all his efforts. Does he fully recognise the very difficult position that Northern Ireland is now in? We voted to stay and we want to stay, yet we are hostage to the mistakes of others who were misled by false promises—unlimited funding for the NHS and lorry loads of money for farmers. Does he recognise that Northern Ireland will need to open up opportunities to protect its interests and maintain a closer relationship with Europe? In particular, has he had time to give any thought to how the settlement of 1998—the Good Friday agreement—is undermined by the dismantling of much of the legislation that hinges on the EU?

The Prime Minister: Obviously, we will look very closely at the specific questions that the hon. Gentleman raises. That is something that officials in Northern Ireland and in Westminster can start with straightaway. I want us to keep all the benefits that we have had from the common travel area, and I think we will have the closest possible co-operation with the Government of the Republic of Ireland. The Taoiseach last night made a very moving speech about Britain and Ireland. I think he said that we had been fighting each other since 1169. I have not checked my dates—

Dr McDonnell indicated assent.

The Prime Minister: The hon. Gentleman is nodding, so I think I have got that right. The Taoiseach then went through some of the key elements of the conflict, in which relatives of mine were probably involved, but who knows? He said he was very proud that relations between the United Kingdom and the Republic of Ireland have never been stronger than today, and we must not let that go.

Chris White (Warwick and Leamington) (Con): My constituency is home to a number of significant manufacturing and technology businesses, which play a major role in our local economy. What reassurance can the Prime Minister give me that this trade will continue to grow, not least after Warwick’s very strong vote to remain?
The Prime Minister: I thank my hon. Friend for his remarks. This comes back to the issue of manufacturing and access to the single market, and that needs to loom very large in the negotiation. Nothing changes for probably the next two years at least while the negotiation carries on, but we need to make sure, as we come out of the end of the article 50 process, that we have that access properly set out so that our manufacturers know what they are doing.

Keith Vaz (Leicester East) (Lab): May I thank the Prime Minister for his strong condemnation of the racist attacks on members of the Polish community and others, and may I pay tribute to him for his respect and commitment that he has shown to Britain’s ethnic minority community over the past six years, and for creating the most diverse Administration of any Conservative Prime Minister in history? In respect of the summit yesterday, was there a discussion of the comments made by the Mayor of Calais or the French Economy Minister that the juxtaposed borders should be taken out of France and returned to the United Kingdom? Does he agree that that deal was made between Britain and France and has nothing to do with the referendum?

The Prime Minister: First, let me thank the right hon. Gentleman for his comments about my support for Britain’s ethnic minorities and the diversity that we see on the Government Benches. That has been a very important change in our politics and one that I hope will continue. We did not discuss last night the juxtaposed border control issue or the remarks of the Mayor of Calais. My view is that this is a treaty between Britain and France. We certainly want to keep it, and we hope that the French do too, but I do not resile from anything I said in the referendum campaign about the risks that there are. We need to redouble our efforts to try to make sure that the borders remain where they are.

Mr Andrew Turner (Isle of Wight) (Con): Can the Prime Minister confirm that 100,000 migrants is about the maximum number that people are willing to accept at the moment, especially outside London and the home counties?

The Prime Minister: I would not put it like that. The point that I have always made is that I think we should have a sense of what the net migration should be. In a modern advanced world and a modern advanced country such as Britain, often well over 100,000—many hundreds of thousands—British people and EU nationals here move to Europe and elsewhere, and European nationals come here. Measuring the net number, which is obviously imprecise and difficult, because people leave Britain for all sorts of reasons, is a good way of measuring the pressure on public services. As recently as 2008, the number of people leaving the UK and the number arriving from Europe was a little bit negative. That is why I have always focused on the net migration issue, but the overall numbers should be measured at quite a large level, because the gross movements can be much bigger than the net figure at the end.

Caroline Lucas (Brighton, Pavilion) (Green): Does the Prime Minister recognise that whoever becomes the next Prime Minister will have no mandate to negotiate on behalf of the people of this country, not least because the leave campaign failed to set out any serious plan for what Brexit looks like in practice, and so the fairest, clearest thing to do would be to go for an early general election?

The Prime Minister: I would argue that we are a parliamentary democracy, so the new Prime Minister and the Cabinet should draw up their negotiating mandate based on the work that is going to be done over the next few weeks and months to set out all the alternatives, and then they will have to bring it here, explain it and defend it in this House. That seems to me the right way forward.

David Mowat (Warrington South) (Con): The formal negotiation will start when article 50 is triggered, but does the Prime Minister agree that our first piece of negotiating leverage is when we decide to trigger article 50, and that there is no reason—legal or moral—for us to do that until we are ready and we have sight, month by month, of what will happen in the 24 months after it has been triggered?

The Prime Minister: My hon. Friend is right that when to trigger article 50 is a British decision. It is important to recognise that our European partners have concerns, too. The economic problems that we are currently suffering and may have more of are also affecting them. The Dutch Prime Minister said to me last night that he thought that his growth rate would be materially affected by the position in Britain and the uncertainty. Given that negotiations are, yes, hard work and hard graft, but they also rely on a certain amount of goodwill, we do not want to put too much of that goodwill at risk by how we proceed.

Mr Pat McFadden (Wolverhampton South East) (Lab): With the pound going down 10% against the dollar, with our future trading position completely unknown, with the unity of the UK under threat and with appalling racist attacks happening on our streets, does the Prime Minister agree that, as a response to the referendum, the setting up of a unit in the Cabinet Office under the right hon. Member for West Dorset (Mr Letwin) is simply not up to the task? This is, after all, the greatest change in Britain’s position in the world since the end of the second world war.

The Prime Minister: First, let me agree with the right hon. Gentleman on the issue of racist attacks. We need to take urgent action, and I announced that at the Dispatch Box today during Prime Minister’s questions. In terms of the steps we need to take, there is, I believe, a limited amount that can be done before a new Prime Minister and a new Cabinet arrive, but we should not belittle that, because a lot of this is cold, hard facts about what the different alternatives are, and what the different costs and benefits are. There is a world of difference between a referendum campaign in which the leave side offered all sorts of things that went with the hypothetical new status and the real facts now of what those things look like. That is something that we need to see, and I think that the mechanisms that we are putting in place will help that to happen.

Alison Thewliss (Glasgow Central) (SNP): The Prime Minister says that we are entitled to all the benefits of EU membership until the point at which we leave. May
I clarify whether there has been any discussion about access to funding such as regional selective assistance, which has created and safeguarded 10,000 jobs and been worth £83 million to Glasgow since 2010? In addition, the long-term conditions of loans issued under the European Investment Bank, which were also worth significant amounts of money, require some clarification for the local authorities that were involved in them.

The Prime Minister: Any contracts entered into before Britain leaves the EU should be honoured in full in terms of EU funding for research or for regions of our country. The status we have with respect to the EIB will have to be determined as part of the negotiation. Again, that is the sort of technical issue that a Whitehall unit can look at now to find out what the options are so that we can discuss them in this House.

Mr Chuka Umunna (Streatham) (Lab): Vote Leave is so confident of delivering its overblown promises that it has recently wiped much of its website and removed from it the key claims that it made during the campaign. I disagreed with many of the claims that were made, but does the Prime Minister agree that the public will never forgive Vote Leave politicians who form part of the new Government if they break those pledges? There will be no hiding place from being held to account on those overblown promises in the next Government.

The Prime Minister: One thing we all experience and share in this House is that when we make commitments and promises, we are held to account for them, in this House and at these Dispatch Boxes, in a way that is probably more direct and often more brutal than in other democracies. Long may that remain the case.

Liz Kendall (Leicester West) (Lab): The renegotiations will clearly be difficult and will take some time. One area in which we must take more action now is improving the jobs, skills and infrastructure in our market towns and coastal areas, where many people feel that they have not seen the benefits of growth. May I ask the Prime Minister to work with local council leaders to make sure that the devolution deals being struck across the country deliver for those areas, not just our great metropolitan cities?

The Prime Minister: The hon. Lady makes an important point. Not only do pledges such as our 3 million apprentices help to address the issue of immigration, because they mean training our own people to do the jobs that our economy is creating, but they offer hope and help to our regional economies—not just, as she says, to the city economies. We should continue with all the devolution deals. They are popular with local authority leaders and they have real teeth, and we will carry on that work.

Ms Margaret Ritchie (South Down) (SDLP): Northern Ireland, as has already been stated, voted to remain in the European Union. My constituency, being a border constituency that contains part of Carlingford lough—one bit of it is in Northern Ireland and the other bit is in southern Ireland—and Warrenpoint port, depends on free access to goods and services and the essential access to markets, as 46% of what is exported and imported comes from the south of Ireland. Our economy depends on membership of the European Union. How can that be guaranteed?

The Prime Minister: The vote in Northern Ireland was very strong, not least in respect of the fact that the party of the First Minister wanted to leave the European Union. It was a very strong statement. I would argue that all the constituent parts of the United Kingdom need to make their voices heard. The process over the next few months of drawing up the different blueprints is an important opportunity to influence the debate in this country and in Europe about what the outcome should be. The example that the hon. Lady gives of cross-border trade in Northern Ireland is a very good one with which to inform the debate.

Mary Creagh (Wakefield) (Lab): British troops are on the Polish-Ukraine border taking part in the largest military exercise since the end of the cold war. The Prime Minister has committed 1,000 British personnel to participate in NATO’s very high readiness force in the event of any Russian aggression, and the ceasefire in Ukraine is on the brink of collapse. May I encourage him to use his final appearance as a NATO Prime Minister on 8 and 9 July at the Warsaw summit to urge all our European colleagues to continue to press sanctions against Putin’s Russia, and not to give in to Russia’s aggression in Ukraine?

The Prime Minister: The hon. Lady is absolutely right. We have done a lot to reassure our Polish and Baltic friends and allies; that is why the troops are taking part in this exercise. We are taking a leading role in this NATO conference. We are going to make sure that we provide visible troops. Ours will be stationed in Estonia, and I think that America and other countries are going to be in the other Baltic states so that when people look over these borders, they see not just Estonian troops or Latvian troops, but American troops, British troops or French troops. I think that that is absolutely right.

Chris Law (Dundee West) (SNP): Several weeks ago, in the lead-up to the EU referendum, I asked for a personal commitment from the Prime Minister to the Tay cities deal for the city of Dundee and the surrounding areas, and he gave that full commitment. Since the EU referendum, we have heard comments from the Secretary of State for Scotland to the effect that what may be in doubt because of new Tory leadership in the near future. Can the Prime Minister reassure the people of Dundee and the surrounding areas that this city deal will be delivered in terms of funding, regardless of who is Prime Minister now or in the near future?

The Prime Minister: I cannot bind the hands of my successor, but I will say to any of the candidates that the city deals have been a great success throughout the United Kingdom. It has been quite a marked thing that even though Scotland now has a powerhouse Parliament, city deals have been popular and successful where they are being tried in Scotland. I will certainly make that clear.

Emma Reynolds (Wolverhampton North East) (Lab): Relying on the WTO or a Canadian-style free trade agreement clearly would not be the best possible deal
for our country. I think it is pretty irresponsible of some of the leading leave campaigners to have suggested during the campaign that that was somehow a good alternative to our membership of the EU. Is it not also clear, from what European leaders said both in February and yesterday, that if the Prime Minister’s successor prioritises stopping free movement in the light of the referendum, we will not have the same unfettered access to the single market? The parameters of the choice are actually pretty clear.

The Prime Minister: The hon. Lady makes a strong point, and I can add to it. Although yesterday’s meeting was relatively successful, it is worth pointing out that the Canada free trade deal is not yet agreed. There are countries in the EU that are getting very nervous about free trade deals—I happen to think that they are wrong, but that is worth bearing in mind. On what she says about access to the single market, if that is the most important thing, there are trade-offs that we have to consider. That is certainly the way I see this negotiation.

Paul Flynn (Newport West) (Lab): Denmark voted in a referendum to reject the Maastricht treaty. A year later, the country voted in a second referendum to accept it, in the fine European tradition of keeping on voting until there is the right result. We know that many millions of people in this country felt deceived by the exaggerations and lies in both campaigns. They now feel cheated by the result, and millions of people are protesting. Is it not right that we look again at the possibility of a second referendum, in the certainty that second thoughts are always superior to first thoughts?

The Prime Minister: I think we have to accept the result, and I am certainly not planning a second referendum. What we have to focus on now is getting the closest possible relationship between Britain and Europe. We can start the work in shaping that debate; the exchanges that we are having now are very constructive, and we can start that debate right now.

Chris Bryant (Rhondda) (Lab): I am getting a bit bored with this lame-duck attitude the Prime Minister is giving us. Take control, man! There are lots of things he could still do. We could be passing emergency legislation to make it absolutely clear that every EU citizen living in this country now is entitled to live here in the future. That would stop some of the horrible campaigning that has already been happening around the country. He could set up a royal commission—both Houses of Parliament—to make sure that we bind together as much of the country as possible and start creating a consensus about what we should be lobbying for as our best deal. Why does he not take control? I thought that was what it was all about.

The Prime Minister: I have to say to the hon. Gentleman that I have never believed you take control or take rapid decisions by setting up royal commissions—as has been said, they take minutes and they last for years, and that is what would happen in this case. I have said that I will look very carefully at all these issues of how to reassure EU nationals who are here. I have tried to set out the legal position, and I have expressed the strongest possible condemnation. But I think, frankly, he and his colleagues have something they need to take control of—and it is their party.

Chris Bryant: I’m doing my best. [Laughter.]

The Prime Minister: Well, he did. It is a topsy-turvy world: I have never felt greater support from my party, and I am leaving; and I have never seen an Opposition leader with less support, and he is staying. As someone who is about to enter the political graveyard, perhaps I could misquote my favourite band and say, “Let’s meet at the cemetery gates”.

Alan Brown (Kilmarnock and Loudoun) (SNP): A farmer in my constituency is thinking of emigrating, the possible impact on CAP payments being the straw that broke the camel’s back. On the basis of an earlier answer, will the Prime Minister confirm that there can be certainty of income from CAP payments to 2020 only if the Scottish Government find a way to stay in the EU?

The Prime Minister: What needs to happen is for a negotiation to be completed and for the CAP payments that are set out in the negotiation 2014 to 2020 to continue up until then, and then for a future Government—the UK Government, but also, now, the Scottish Parliament, with its powerhouse financial powers—to decide the payments they want to make to Scottish farmers.

Helen Goodman (Bishop Auckland) (Lab): When the Prime Minister got back from Brussels last night, was there any message from the hon. Member for Uxbridge and South Ruislip (Boris Johnson) about where to find the £350 million for the NHS?

The Prime Minister: It was pretty late by the time I got back, and there was not really time for anything.

Mark Durkan (Foyle) (SDLP): I join the acknowledgements being given to the Prime Minister. I do not really think he fully appreciates—certainly, his Secretary of State does not—that when we negotiated the Good Friday agreement, common membership of the EU was taken as a given, and it is there in the fabric of the agreement. At the core of that agreement is the principle of consent, but the people of Northern Ireland now find that they are being dragged out of the European Union against their consent, as expressed when they voted for the Good Friday agreement and in the referendum last week, when 78.2% in my constituency voted to remain. It is not enough for the Prime Minister to say now that the negotiations that will take place will sort things out for us. It is clear that English politics does not have a sat-nav or a map for where it now finds itself, yet he is simply telling us that we will have to tailgate and go where the impulses and prejudices of English politics drive next. We need to achieve a better situation to protect EU access and benefits for our constituents.

The Prime Minister: I totally understand the hon. Gentleman’s passion about this—he and I were on the same side—but my reading of the history of this is different. The Good Friday agreement, based on the principle of consent, was that the United Kingdom
would continue and Northern Ireland would be part of that United Kingdom. This is a sovereign decision for the United Kingdom. Now, the job of the United Kingdom Government, in full collaboration with the First and Deputy First Ministers in Northern Ireland, is to try to get the best possible negotiation in terms of Britain’s place, and therefore Northern Ireland’s place, so that relations north-south can be as strong as they can.

Wayne David (Caerphilly) (Lab): Lord Hill, Britain’s European Commissioner, has decided to step down from the European Commission. Has the Prime Minister any plans to appoint somebody else, if only on an interim basis?

The Prime Minister: Yes, I think we should appoint a new Commissioner. We are a full member of this organisation. We pay our dues in full. We should have a UK Commissioner. I discussed this yesterday with the President of the Commission, and we hope to come forward with a nominee shortly.

Jack Dromey (Birmingham, Erdington) (Lab): I am the proud son of Irish immigrants who encountered the signs that said, “No dogs, no Irish”. We once again see fear stalking the streets, with Polish women in Erdington told to go home, a Kashmiri driver told, “We don’t want you Muslims here”, and an aggressive individual telling a train guard, “Don’t you close those doors until I tell you to. We make the rules now.” This is all a consequence of xenophobia being put mainstream in the referendum campaign. Does the Prime Minister agree that it can never be right that someone should fear for their safety because of their accent or the colour of their skin, and that we will never allow this great, dynamic, multicultural Britain to be divided by the evil of racism?

The Prime Minister: I agree with every word the hon. Gentleman said. I never wanted to see those sentiments appear in our country again. I think the difference between now and the 1950s and 1960s, when these things happened, is that the state of our laws is far stronger, the understanding of our police is far better and the ability of our prosecuting authorities to take action is much stronger. We need to make sure all those things are brought to bear.

Patrick Grady (Glasgow North) (SNP): As far as the UK Council presidency is concerned, perhaps the Scottish Government should be invited to take it on, seeing as we are committed to the European Union. However, does the Prime Minister understand the concerns expressed by my constituents about the impact of Brexit on friends and relatives who are UK citizens but who live in the EU, particularly as regards access to healthcare and other social protections? How will that access be maintained in the future?

The Prime Minister: Of course I understand people’s passions and concerns. Healthcare is exactly the sort of issue that did not loom as large in the campaign as I rather wish it had. There are some big retail benefits from being in the EU—the ability to use mobile phones without roaming charges, the storing of digital content, the access to health services, the cheap air fares and all the rest of it. That is exactly the sort of issue that a Whitehall unit can look at. What are the rules in terms of access to healthcare? What can we secure in Europe but outside the European Union? We can start to put that forward so that people can see what the future holds.

Andy Slaughter (Hammersmith) (Lab): Some 70% of those who voted in Hammersmith and Fulham last Thursday voted to remain. Hundreds of constituents have written to me since, fearing for their jobs, the stability of our local community—where 15% are EU nationals—and even their personal safety. What should I say the Government are doing, to reassure them?

The Prime Minister: What I hope the hon. Gentleman will say is that, rightly, we have to accept the democratic will of the people in a properly constituted referendum, voted for on a 6:1 basis in this House. But we should do everything we can to reassure people, first, that hate crime has no place in our country, as we have discussed today. Then we are going to conduct a negotiation, based on the best available evidence, about what we can do to achieve the closest possible relationship with Europe, on the basis of trade, co-operation and security. That is our goal, and I hope that that will provide some reassurance. But, of course, in any referendum, with a decision like this, there will be those who are disappointed by the result, myself included. We now have to make the best we can of the new situation we are in.

Callum McCaig (Aberdeen South) (SNP): The already dodgy economics of Hinkley Point C have surely been fatally undermined by the decision to withdraw from the European Union. May I suggest to the Prime Minister, if he is looking to salvage something of a legacy, that he pulls the plug on this enormous folly?

The Prime Minister: Obviously, I do not agree with the hon. Gentleman. The logic and the economics behind Hinkley Point C are that we need to have some base-load, non-carbon energy in order to have any ability to meet the very challenging targets we have to reduce carbon emissions in our country. I am all for, and have seen, a massive expansion of renewable energy since I have been Prime Minister; indeed, my favourite statistic is that 98% of Britain’s solar panels have been installed since I have had this job. However, solar power is, by its nature, intermittent, and we do need some base-load power. That is why the case for Hinkley continues.

Kerry McCarthy (Bristol East) (Lab): If the Prime Minister is going to dig out his copy of the album “The Queen is Dead”, he might want to depress himself further by listening to my favourite track, “I Know It’s Over”, although as far as the Labour party is concerned, it would be “There is a Light That Never Goes Out”. In Bristol, on Friday, our elected mayor convened a meeting of key stakeholders to try to work out what the referendum means for the city—there are clearly many worried people. Will the Prime Minister assure us that the voice of cities on the international stage will not be dimmed during these negotiations?
The Prime Minister: I will certainly do everything I can to stand up for Bristol. I am interested that the Labour party’s favourite Smiths song is “There Is a Light That Never Goes Out”, because it actually involves a double suicide. I think the lyrics are, “If a double-decker bus crashes into us, There’s no finer way than by your side.” I think I am right in saying that. I am not sure that is wholly reassuring to Labour Front Benchers. In fact, I think the next verse is, “If a 10-ton truck crashes into us.” They have tried resignations—they have tried one after the other—so they are obviously going to have to look for inspiration elsewhere.

Mr Speaker: I did not know the Prime Minister had quite such a compendious knowledge of modern music. I am extraordinarily impressed.

Richard Burden (Birmingham, Northfield) (Lab): I am not going to ask the Prime Minister to remember any more lyrics. He will have heard right hon. and hon. Members on both sides of the House talk about the importance of manufacturing to the midlands. In Prime Minister’s questions, he will also have heard my hon. Friend the Member for Ilford South (Mike Gapes) refer to the comments of Sadiq Khan about London having a voice in the preparations for negotiations and in the negotiations themselves. I absolutely agree with that. However, will the Prime Minister say something about the mechanisms that he envisages to allow regions outside of London to have a say in the preparations for negotiations and in the negotiations themselves?

The Prime Minister: What I can say, and perhaps I will set it out in more detail for the House on a later occasion, is that we need to find mechanisms—we have some already, like the Joint Ministerial Council—for listening to the constituent parts of the United Kingdom to make sure that the voices of our nations and regions can be heard as we design this renegotiation. I absolutely commit to that.

**Hate Crime**

1.51 pm

The Parliamentary Under-Secretary of State for the Home Department (Karen Bradley): Hate crime of any kind, directed against any community, race or religion, has absolutely no place in our society. As my right hon. Friend the Prime Minister told this House today, we are utterly committed to tackling hate crime, and we will provide extra funding in order to do so. We will also take steps to boost reporting of hate crime and to support victims, issue new Crown Prosecution Service guidance to prosecutors on racially aggravated crime, provide a new fund for protective security measures at potentially vulnerable institutions, and offer additional funding to community organisations so that they can tackle hate crime.

The scenes and behaviour we have seen in recent days, including offensive graffiti and abuse hurled at people because they are members of ethnic minorities or because of their nationality, are despicable and shameful. We must stand together against such hate crime and ensure that it is stamped out. Over the past week, there has been a 57% increase in reporting to the police online reporting portal, True Vision, compared with this time last month, with 85 reports made between Thursday 23 June to Sunday 26 June compared with 54 reports in the corresponding four days four weeks ago. However, I would urge caution in drawing conclusions from these figures as a guide to the trend, as they are a small snapshot of reports rather than definitive statistics.

Much of the reporting of these incidents has been through social media, including reports of xenophobic abuse of eastern Europeans in the UK, as well as attacks against members of the Muslim community. However, we have also seen messages of support and friendship on social media. I am sure the whole House will want to join me in commending those we have seen stand up for what is right and uphold the shared values that bring us together as a country, such as those who opposed the racist and hateful speech shown in the recent video taken on a tram in Manchester.

These recent events are shocking, but sadly this is not a new phenomenon. Statistics from the Tell MAMA report, published today, show that in 2015 there was a 326% increase on 2014 figures in street-based anti-Muslim incidents reported directly to Tell MAMA, such as verbal abuse in the street and women’s veils being pulled away, with 437 such incidents reported.

Worryingly, the report also finds that 45% of online hate crime perpetrators are supportive of the far right. In recent days, we have seen far-right groups engaged in organised marches and demonstrations, sowing divisions and fear in our communities. We have also seen far-right groups broadcasting extreme racist and anti-Semitic ideology online, along with despicable hate speech posted online following the shocking death of our colleague Jo Cox. Her appalling death just under two weeks ago shocked and sickened people not only in communities up and down this country, but in many other countries around the world. As we heard in the many moving tributes paid to her in this House, her loss is keenly felt, and we will always remember that a husband is now without his loving wife and two young children will grow up without a mother.
The investigation of hate crimes is of course an operational matter for the police. I would urge anyone who has experienced hate crime to report it, whether directly to the police at a police station, by phoning the 101 hotline, or online through the True Vision website. In this country, we have some of the strongest legislation in the world to protect communities from hostility, violence, and bigotry. This includes specific offences for racially and religiously aggravated activity and offences of stirring up hatred on the grounds of race, religion, and sexual orientation. It is imperative that these laws are rigorously enforced.

The national police lead for hate crime, Assistant Chief Constable Mark Hamilton, has issued a statement confirming that police forces are working closely with their communities to maintain unity and prevent any hate crime or abuse. Police forces will respond robustly to any incidents, and victims can be reassured that their concerns about hate crime will be taken seriously by the police and courts. Any decisions regarding resourcing of front-line policing are a matter for chief constables in conjunction with their police and crime commissioner.

Since coming to office, the Government have worked with the police to improve our collective response to hate crime. The Home Secretary has asked the police to ensure that the recording of religious-based hate crime now includes the faith of the victim—a measure that came into effect this April. We have also established joint training between the police and the Crown Prosecution Service to improve the way the police identify and investigate hate crime. Alongside this training, the College of Policing, as the professional body for policing, has published national strategy and operational guidance in this area to ensure that policing deals with hate crime effectively.

But we need to do more to understand the hate crime we are seeing and to tackle it. That is why we will be publishing a new hate crime action plan covering all forms of hate crime, including xenophobic attacks. We have developed the plan in partnership with communities and with Departments across Government. It will include measures to increase the reporting of hate incidents and crimes, including working with communities and police to develop third-party reporting centres. It will work to prevent hate crimes on transport, and to tackle attacks against Muslim women, which we recognise is an area of great concern to the community. The action plan will also provide stronger support for victims, helping to put a stop to this pernicious behaviour.

We appreciate that places of worship are feeling particularly vulnerable at this time. That is why we have established funding for the security of places of worship, as announced by the Prime Minister last October. This will enable places of worship to bid for money to fund additional security measures such as CCTV cameras or fencing. We have also been working with communities to encourage them to come forward to report such crimes, and to give them the confidence that those crimes will be taken seriously by the police and courts. My noble Friends Lord Ahmad and Baroness Williams have today visited the Polish cultural centre in Hammersmith, which was a victim of disgusting graffiti, to express their support. We are working closely with organisations such as Tell MAMA and the Community Security Trust to monitor hate crime incidents and with the police national community tensions team to keep community tensions under review.

The Government are clear that hate crime of any kind must be taken very seriously indeed. Our country is thriving, liberal and modern precisely because of the rich co-existence of people of different backgrounds, faiths and ethnicities, and we must treasure and strive to protect that rich co-existence. We must work together to protect that diversity, defeat hate crime and uphold the values that underpin the British way of life, and we must ensure that all those who seek to spread hatred and division in our communities are dealt with robustly by the police and the courts. I commend this statement to the House.

2 pm

Andy Burnham (Leigh) (Lab): May I send our sincere condolences to the victims of yesterday’s appalling attack in Istanbul, and send an uncompromising message to the terrorists that they will never prevail?

I congratulate the Minister on her excellent statement to the House. Any referendum has the potential to create division in society, and this one was no different. We have probably all felt the rising tension on the streets of our constituencies in recent weeks. In the aftermath, it is incumbent on any elected representative to do three things: first, to respect the decision of the people; secondly, to work to heal these divisions; and, thirdly, to take on directly and defeat the small minority of people who seek to use these moments to peddle hatred and violence. That is what the whole House together should resolve to do today.

Since last Thursday, there are reports of a fivefold increase in race hate comment on social media channels. The 57% increase in reported hate crimes, which the Minister mentioned, comes on top of an already rising tide of hate crime in England and Wales. Last year, the police recorded over 50,000 individual hate crimes, most of them racially motivated, which was an 18% rise on the previous year.

As the Minister said, perhaps the most disturbing reports are those of attacks on individuals and specific communities in recent days. In Huntingdon, cards have been distributed outside homes and primary schools, saying “No more Polish vermin”. In Hammersmith, a Polish community centre was daubed with racist graffiti. On Monday, The Guardian reported that a Muslim schoolgirl was cornered by a group of people who told her:

“Get out, we voted leave”.

There have been reports of more incidents in Leicester today, which my hon. Friend the Member for Leicester South (Jonathan Ashworth) mentioned. Yesterday in Manchester, footage emerged of a US army veteran and university lecturer being told to “go back to Africa” by three youths on a tram. As the Minister said, there have been attacks on Muslim women, and even reports of women speaking on mobile phones in a foreign language being screamed at in the streets.

What is happening to the Britain we have known? This is not taking our country back, but turning Britain into a place we have never ever been. By its very nature, hate crime is a rejection of the British values that have always bound us together. Non-British nationals living
in Britain today will feel worried about their safety and will be in need of reassurance. I hope the Minister will be able to provide even more reassurance in her response to my questions.

I welcome the Minister’s promise of a new hate crime action plan. Will she tell the House when the plan will be published, because it is urgently needed? People in need of reassurance want it to be given today, so will she confirm what extra steps are being taken to monitor reports of hate crime across the country and what immediate advice the Home Office is giving to the police on tackling such incidents?

Secondly, it is crucial people know how to report hate crime. The True Vision website the Minister mentioned is very welcome, but I guess it is not widely known. What action will she take to increase awareness of it, and is there a case for national advertising to promote it?

Thirdly, confidence to report hate crime will increase only if people believe their reports will be taken seriously. There is a feeling that such reports are not always taken seriously. I hear what the Minister says about the new CPS advice. Will she assure the House that it will encourage police and prosecutors to follow up every single report of hate crime, prosecute wherever possible and make sure perpetrators face the full force of the law? To provide further reassurance at this difficult time, will Ministers provide more reassurance to people about their immigration status in this country during the renegotiations with the European Union? In doing so, will they also inform the wider public about the issue and prevent some of the more ignorant comments from being made to people in the street?

Finally, is there not now a case for a much more proactive strategy to tackle far-right extremism? Racist activity and violence have been on the rise for some time, as HOPE not hate has warned. Is it not time to take its warnings much more seriously? Will the Minister tell the House whether the security services are devoting sufficient resources and attention to this growing threat, and will she ask them to review it?

It is only 10 days ago since we lost our wonderful friend and colleague Jo Cox. As the dust settles on this referendum, we need to continue to have the words of her husband Brendan at the front of our minds:

“Hate doesn’t have a creed, race or religion, it is poisonous.”

Does the Minister not agree that 99% of the British public who voted to leave did not vote for an intolerant, xenophobic or racist Britain? Do not both sides of the referendum campaign now need to unite to make sure the public who voted to leave did not vote for an intolerant, xenophobic or racist Britain? Does she agree that all of us in the Chamber must, as my right hon. Friend makes many important points that I agree with, and we must ensure increased reporting of such crimes. That is why we have insisted that, for religiously motivated hate crime, the religion of the victim must be recorded so that we have a proper picture of what is happening. We work closely with Tell MAMA, the Community Security Trust, and other organisations to ensure that we promote that.

The right hon. Gentleman asked about the reporting of such crimes. The increase in the reporting of and the convictions for these crimes is very welcome, but we know that they are not all being reported. I have already made this point, but I want to reiterate that we need these crimes to be reported. We welcome the increase in reporting, but we need more to be reported. He is right that every single report should be investigated and taken seriously.

I want to confirm that there is no change to the immigration status of anybody in the United Kingdom or any UK national living abroad. The right hon. Gentleman talked about the far right. Our work on hate crime is about all its forms, including hate crime perpetrated by the far right. There may have been comments about “taking back control” and “taking back our country”, but I do not want to take back a country that accepts this kind of crime. That is not the sort of country of which I want to be a part. I want to add a comment about our colleague Jo Cox; she said we have more in common, and we most certainly do.

Mrs Maria Miller (Basingstoke) (Con): The recent events are sickening, and it is absolutely right that we should condemn them wholeheartedly. However, if we are to find a solution, those events must be seen as part of the much broader increase over the past year in the use of racist language and abusive behaviour, much of which has been targeted at Muslim people, particularly Muslim women. I welcome the Government’s announcement of renewed action, and the Minister is doing an excellent job, working across Government, but does she agree that all of us in the Chamber must, as constituency Members of Parliament, take responsibility to call out racism when we see it, to challenge it wholeheartedly and to make sure that no racism is accepted in our communities? Will she do more to help the reporting of race crime through third-party organisations, so that we get a handle on the size of the problem in our constituencies and communities?

Karen Bradley: My right hon. Friend makes many important points that I agree with, and we must ensure increased reporting of such crimes. That is why we have insisted that, for religiously motivated hate crime, the religion of the victim must be recorded so that we have a proper picture of what is happening. We work closely with Tell MAMA, the Community Security Trust, and other organisations to ensure that we promote that.

The right hon. Member for Leigh (Andy Burnham) asked about the True Vision website, and I wanted to confirm—I realise I did not answer this—that extra funding has been allocated in the hate crime action plan and it will be available for that website.
Angela Crawley (Lanark and Hamilton East) (SNP): May I associate myself with the comments of hon. Members across the House, and offer my sincere condolences to those affected by the tragic incident in Istanbul?

Reports of a huge increase in racist abuse since the EU referendum are concerning, abhorrent and unacceptable, and we have witnessed a 57% rise in xenophobic attacks in the past week. In the wake of the particularly vicious and anti-immigrant rhetoric of the EU referendum, it has been forgotten that those people are our friends and neighbours, and positive contributors to our society. Refugees are people who have come here simply to make better of their lives and those of their children. Depictions of “swarms” or “waves” of immigrants are dangerous, incorrect, and wrong. The SNP rejects the tone and rhetoric of the debate on immigration during the lead-up to the referendum. Instead, we believe that immigration is essential for the strength of our economy and our cultural fabric.

Tolerance, respect and inclusion are the values and principles that we must foster in a modern and inclusive society, and we are working towards encouraging those values in Scotland. Will the UK Government get a grip and show some leadership, follow the example of the First Minister of Scotland and the Mayor of London, and make a statement that speaks directly to citizens of other European countries who are living here, to tell them that they remain welcome, that the UK is their home, and that their contributions are valued?

Karen Bradley: I truly believe that the vast majority of people who voted last week, no matter which way they voted, did so for the right reasons, and I am sure that that majority will be horrified by the deeds of some who claim that they are acting in their name—they simply are not; it is abhorrent and despicable. The Government will do everything we can to ensure that hate crime reporting increases and that hate crimes are properly investigated, so that victims get the support they need. The hon. Lady asked about people living in this country, and I will repeat my earlier point: there is no change to the immigration status of anybody in this country, and I for one welcome people who are here to contribute to and be part of our society, and who share my values and want to be part of this country.

Karen Bradley: As Secretary of State for Communities and Local Government my right hon. Friend did an enormous amount of work in this area and he speaks with great authority. He makes an incredibly important point, and I agree that we need prosecutions to increase. We started from a very low base of reporting, prosecuting, and successful convictions. We are doing well and improving, but there is still a long way to go.

Keith Vaz (Leicester East) (Lab): I welcome the Minister’s statement and the measured way that she put forward her programme. That is the right approach to adopt. The Home Affairs Committee will meet today to consider some of those matters, and whether we can inquire into the activities of the far right. The Minister mentioned an increase in the number of people who have been reported, but how many have been arrested and charged?

There is consistency between police forces, because some will be more experienced than others, and what are we doing about internet companies and their failure to take down tweets that are racist or that encourage people to commit those crimes? They are simply not doing enough.

Karen Bradley: The Chair of the Home Affairs Committee asks detailed technical points, and it will be for police forces to gather information on some of those. If he will allow me, I will write to him with the specific details on some of those technical points. His point about internet companies is incredibly important. We have seen and worked with internet providers to combat indecent images of children online, and I pay tribute to them for the work that they have done and the progress made. However, companies and individuals simply have not yet done enough. We say that what is illegal offline is illegal online, but we need companies and businesses to take responsibility for the actions of some people whom they allow to appear anonymously and get away with saying things that are unacceptable.

Amanda Solloway (Derby North) (Con): Like many Members I am so saddened by recent events. Derby is a wonderfully diverse city with a great richness from all its cultures. What assurances can the Minister give that that will be taken into account in order to protect those minorities and embrace those cultures?

Karen Bradley: I agree that Derby is a wonderfully diverse and great city. I do not live too far away from Derby, so I get the pleasure of visiting it, although not as frequently as I would like. We are working with communities on the point raised by my hon. Friend. There is no one-size-fits-all solution, but we must work with local communities and police forces to ensure the right response.

Paula Sherriff (Dewsbury) (Lab): Many Members will be aware that my constituency sits right next door to Batley and Spen. Yesterday, people in my constituency received a leaflet from the BNP that said that Jo Cox took misguided action by helping Muslims in the country who may now go on to join ISIS, alongside some other horrendous allegations. I have received a significant
number of communications from constituents. One seven-year-old Muslim girl and her family were told—I have removed the expletives for the purpose of reading it in the House—that last Friday was the “best day ever—go home all of you”, and I continue to hear about a number of similar incidents. Like many others, I am proud to be British, but I am also proud to be the daughter of a mother who is half-Polish. On Monday I asked the Prime Minister about establishing a cross-party commission to consider race hate crimes. Has any progress been made on that? The time to act is not tomorrow, next week or next month—it is now.

Karen Bradley: I am shocked by what the hon. Lady says and I am sure the whole House is shocked. That is utterly, utterly unacceptable. I would like to meet her, if she would allow, to discuss specific action to ensure such crimes are reported and action is taken against them.

Mark Pritchard (The Wrekin) (Con): Any racist attack on anyone from anywhere is an attack on all of us: on all that makes this country a great country and on our fundamental shared British values. Following on from the comments by the right hon. Member for Leicester East (Keith Vaz), what more can be done to ensure Facebook, Twitter and other social media play a large and active part? They are huge, capitalised international companies that spend lots of money on public relations, lobbying and corporate social responsibility. Their primary responsibility at this time is to tackle hate crime. They need to be part of the solution.

Karen Bradley: I agree with everything my hon. Friend has said.

Mr Alistair Carmichael (Orkney and Shetland) (LD): Like many right hon. and hon. Members, I have over the years campaigned in different parts of the world against human rights abuses. We have been able to do that because Britain is seen across the globe as a tolerant liberal community that has always been prepared to protect all our peoples. Does the Minister share my horror that we should find ourselves in a position today where the United Nations High Commissioner for Human Rights feels it necessary to urge us to act on this matter? These people are eating away at the fabric of our community from the inside, but they also risk diminishing our standing on the world stage. That is why the Minister is right to act in the way she does, but Government alone cannot do this. She needs to work with local authorities, civic groups and voluntary organisations to ensure that we build the broadest possible coalition against hatred.

Karen Bradley: The right hon. Gentleman is right that this cannot be solved by Government alone or by legislation. This is something we all have to act on. The hate crime action plan we are working on is cross-Government, but it cuts across all sectors and all parts of society, including civil society, local government and other agencies.

Mims Davies (Eastleigh) (Con): As a member of the Women and Equalities Committee, I welcome the comments by the Chair of that Committee, my right hon. Friend the Member for Basingstoke (Mrs Miller). I also welcome the Minister’s important statement. It is absolutely right that we do not allow this behaviour to be ignored. It is wrong, pure and simple. There are no excuses. Will the Minister confirm that anybody using the referendum as an excuse to commit hate crime will be made an example of, and that there will be no hiding spaces, whether online, in our schools, in our workplaces or around our religious places of worship?

Karen Bradley: I absolutely agree with my hon. Friend. There is no excuse at all for this behaviour. As I said earlier, I know the hard-working, loyal British people who voted in the referendum will want nothing to do with this behaviour and certainly do not want it to be used as an excuse for it.

Yasmin Qureshi (Bolton South East) (Lab): As you know, Mr Speaker, I tried twice to secure an urgent question on this matter, so I welcome the Minister’s statement today.

Does the Minister agree that the scenes of hatred and anger are the result of the racist, xenophobic and anti-immigration Brexit campaign, and of our print media, such as the Daily Mail, the Daily Express and The Sun, which over the years have blamed migrant communities for all the problems that occur in our country? This level of hatred and nastiness towards immigrant communities has led to some of the things that are happening. What will the Minister do to address this type of press coverage? Some politicians also need to take responsibility, such as Mr Farage and the right hon. Members for Surrey Heath (Michael Gove) and for Uxbridge and South Ruislip (Boris Johnson), who in their campaign were absolutely disgraceful?

Mr Speaker: I greatly respect what the hon. Lady has said, so I hope she will not be affronted by this in any way. However, it is quite important for the future to bear in mind that we do not refer to unsuccessful urgent question applications on the Floor of the House. There are very good reasons for that. I absolutely understand the strength of feeling and considerable knowledge the hon. Lady brings to bear. As some colleagues perhaps might know—the Government are certainly aware of it—I did indicate to the Government that it would be helpful if there were to be a ministerial statement on this matter today. I hope the House feels that this is a very proper exchange in the circumstances.

Karen Bradley: Thank you, Mr Speaker, and thank you for giving me the opportunity to deliver this statement. I think we all need to reflect on what happened during the referendum campaign. The result was decisive and we need to respect it, but we should all take a step back to look at what happened and how the campaign was conducted.

Huw Merriman (Bexhill and Battle) (Con): I commend in particular the final sentence of the Minister’s statement, when she stated that we must ensure that all those who seek to spread hatred and division are dealt with robustly by the police and the courts. I suggest to the Minister, using an example of hate crime recently prosecuted in my constituency, that mental health agencies also need to be involved for the period following prosecution if reoffending is not to occur. Does she agree that if those who made crass remarks during the referendum were
not aware that they could be flicking the switch of those who are dangerous and troubled, then they are more ignorant than I had initially taken them to be?

Karen Bradley: My hon. Friend makes a very, very good point. He is right. I assure him that we work with mental health specialists and clinicians to ensure there is involvement at all stages. He is right that vulnerable people may misinterpret and misunderstand. We are only too aware of what the results of that can be.

Mr Khalid Mahmood (Birmingham, Perry Barr) (Lab): To deal with these horrific incidents, my colleagues in Birmingham and I are trying to co-ordinate efforts to get the leader of the council, the police and crime commissioner and the chief constable together to set up a gold command structure. Will the Minister consider issuing guidance to chief constables and PCCs, so we not only respond to these incidents but deal with these issues before they arise across our communities?

Karen Bradley: Decisions on operational policing are matters for chief constables working with police and crime commissioners, but the example the hon. Gentleman gives is a very good one. Others should look towards it.

Gavin Robinson (Belfast East) (DUP): I congratulate the Minister on not using the word “tolerance”. I have never thought on this issue that to just tolerate people goes far enough. We do not have a threshold with which we will put up. I thank her for not using that phrase and I encourage her not to have it in the hate crime action plan. On the scenes outside Parliament last night, there was only positive coverage by the BBC of what I believe to be hate-filled chants. That shows we have an awful long way to go. Many colleagues in the Labour party are receiving significant hate pressure, threats and intimidation because of internal party politics on their side, which shows that this is not just about the far right. There is a far left. This is not just about racism; there is anti-Semitism and myriad threats and dangers to the stability of what we believe to be culture and society in the United Kingdom.

Karen Bradley: The hon. Gentleman makes some very powerful points. I agree with much that has been said. He is right. I am no longer on Twitter because I decided that I just did not want to listen to this kind of nonsense. I will, however, use a spellcheck for the word “tolerate”.

Jess Phillips (Birmingham, Yardley) (Lab): I welcome the Minister’s statement. I come at this from the point of view of years of the disappointing correlation between those who report and those who receive conviction. I wonder whether the Minister can outline exactly what resources will be given to the Crown Prosecution Service. As it stands, there is no way that all the incidents we are talking about will ever even see the light of day under its current resources and structures. What support will be given to people so they can find their way through the legal systems? At the moment, we are at risk of opening an enormous door to an empty room.

Karen Bradley: The hon. Lady has experienced far more than her share of abuse, particularly online. She is a stalwart for standing up and being there, and for still being on Twitter—I am not quite sure why she is.

I spoke to my hon. and learned Friend the Solicitor General before I made this statement to ensure that he heard exactly that point: that the CPS needs to take this seriously and that we need to see prosecutions and convictions. It is very important that people are punished for those crimes.

Caroline Lucas (Brighton, Pavilion) (Green): I, too, welcome the Minister’s statement and her clear commitment to doing what she can to crack down on such appalling hate crime. She will be aware that a National Audit Office report showed that real-terms funding for individual police forces was reduced by an average of 18% from 2011 to 2015. That same report noted that the Department does not have good enough information to work out by how much it can reduce funding without degrading services. Does she know how many services to support victims of hate crime are at risk of being lost or have already been lost? What can she do to remedy that?

Karen Bradley: The prevalence of hate crime is not on an upward trend. According to the crime survey, prevalence is on a stable if not downward trend, depending on the type of hate crime, but we see more of certain types of hate crime and there is more reporting of it. The reporting of hate crime and prosecutions of hate crime is to be welcomed. We need to ensure that there is more reporting, because I am clear that there is still a very big gap between prevalence and reporting. The hate crime action plan has specific measures on victims, and I hope the hon. Lady comes back to that to discuss it when it is released.

Valerie Vaz (Walsall South) (Lab): On Monday, an incendiary device was thrown into a halal butchers shop in Wednesbury Road, Pleck, in my constituency—there is a photograph in The Guardian today of the inside of the shop. Will the Minister confirm how much extra funding will be available for local police forces so that they can investigate and tackle such crimes?

Karen Bradley: That is another shocking example. I dread to think how many hon. Members know anecdotally, not just anecdotally, of that type of incident. I hope it has been reported and I look forward to hearing from the hon. Lady about the outcome. Perhaps we can come back to funding and so on when the hate crime action plan has been published.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): I was with North Wales police on nightshift last weekend. It was made evident to me that people from ethnic minorities—I emphasise that this is not anecdotal—are often afraid to report hate crime. I am sure we are united in praising the courage of victims and bystanders who call out racial hatred. I welcome the third-party reporting centres in the hate crime action plan. Where will they be and when will they be in place? Will they be accessible to all communities, because racism is a risk not to some of our society, but to society as a whole?

Karen Bradley: The various ways in which hate crime can be reported are available to all communities, but people can go to the True Vision site without fear—it is not walking into a police station and it is not making a phone call—and there will be additional funding for it.
Rushanara Ali (Bethnal Green and Bow) (Lab): As someone who grew up experiencing considerable racism and Islamophobia, I am utterly shocked by what we have seen. My parents’ generation are even more shocked and sickened, because they thought we had conquered that level of racism. Does the Minister agree that some of our national leaders have been utterly irresponsible in playing the race and anti-Muslim card? That has to stop, and we need cross-party agreements between our national political leaders that it will not happen in future. Politicians need to take responsibility where they have acted irresponsibly.

Karen Bradley: I absolutely agree with the hon. Gentleman.

Karen Bradley: I join the hon. Lady in condemning that behaviour.

Ms Karen Buck (Westminster North) (Lab): My borough includes one of the greatest breadths of religious and ethnic diversity in the country, including one of the highest proportions of European residents. I am proud of the strength of our community and our institutions, but even in Westminster, we have had examples of abuse and harassment, and people are reporting their fears. We know from the Tell MAMA report that the Minister mentioned that 61% of victims of hate crime are women. Will the Minister echo the message left by one of the children—“We love you! Yay Poles!”—and affirm that, for every bigot and sickener, there are millions of decent people who want to be in harmony? The Minister should not stand for it and we have to take action.

Karen Bradley: I absolutely agree with the hon. Gentleman.

Alison Thewliss (Glasgow Central) (SNP): In Scotland, we have just come out of a fortnight celebrating the contribution of refugees to our society. It was a wonderful celebration that we can all be very proud of. Will the Minister join me in condemning those who fixed neo-Nazi, racist and homophobic stickers in Glasgow city centre, including to the statue of La Pasionaria, which commemorates the Scottish volunteers who died fighting fascism in the Spanish civil war?

Karen Bradley: I absolutely agree with the hon. Gentleman.

Karen Bradley: The hon. Lady makes a good point. Yes, I can confirm that the hate crime action plan looks to how we can identify and support women who are targets of hate crime, and will it ensure that they are reporting all the incidents that are occurring to them?

Karen Bradley: I absolutely agree with the hon. Gentleman.

Andrew Gwynne (Denton and Reddish) (Lab): Sadly, levels of hate crime have been growing for several years. It seems that for a very small minority of people on the fringes, aspects of the referendum campaign have legitimised some repugnant and atrocious views. Will the Minister say a bit more about what the Government are doing to offer confidence measures within communities feeling pretty bruised right now? It is important that we do build confidence among those people so that they understand that they play a vital role in British society.

Karen Bradley: The hon. Gentleman is absolutely right: they all play a valuable role in British society. He also referred to a phenomenon we see online, where of course people can comment anonymously and where we have seen a socialising and normalising of behaviour that would never be acceptable in any other form. We need to fight back and make it clear that such behaviour is not normal and certainly should not be accepted.
Louise Haigh (Sheffield, Heeley) (Lab): I am pleased to hear the Minister recognise the importance of training and of a joint strategy between the CPS and the police. As a former special constable in the Metropolitan police, I have to say that my experience of training for hate crime was very poor. May I suggest she bring in an external organisation, such as HOPE not hate or Tell MAMA, to look at the training being delivered to the police and to investigate how seriously they are taking the matter internally?

Karen Bradley: I wonder whether the hon. Lady would be willing to meet me to discuss her personal experience, because I would like to hear about what is happening on the ground probably as much as she would like to tell me.

Heidi Alexander (Lewisham East) (Lab): Last weekend, my neighbour, a mum of two and a woman of Caribbean heritage, told me that she felt homeless following the referendum result last week. What specific resources will be available to the Metropolitan police to help them engage with communities experiencing a rise in hate crime? Does the Minister agree that we must all do absolutely everything we can to ensure that children in places such as Lewisham can grow up in a country that is respectful and inclusive?

Karen Bradley: If the hon. Lady will forgive me, I will write to her with the specifics about what is happening within the Metropolitan police. Clearly, there are many police forces and I do not want to provide information that is not strictly accurate and correct. I agree with her point, however. This is a great country—I am incredibly proud of being British—and it will continue to be, irrespective of the result of the referendum, and the country that I am part of is not a country that accepts this kind of behaviour.

Mr Speaker: I am extremely grateful to the Minister for her statement and to colleagues for their remarks.

BILLS PRESENTED

SEXUAL OFFENCES (PARDONS ETC) BILL
Presentation and First Reading (Standing Order No. 57)
John Nicolson, supported by Amanda Solloway, Keir Starmer, Stewart Malcolm McDonald, Iain Stewart, Sarah Champion, Tommy Sheppard, Paula Sherriff, Nigel Huddleston, Stephen Twigg and Dr Philippa Whitford, presented a Bill to make provision for the pardoning, or otherwise setting aside, of cautions and convictions for specified sexual offences that have now been abolished; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 21 October, and to be printed (Bill 6).

HOMELESSNESS REDUCTION BILL
Presentation and First Reading (Standing Order No. 57)
Bob Blackman, supported by Mr Clive Betts, Helen Hayes, Mr Mark Prisk, Kevin Hollinrake, David Mackintosh, Alison Thewliss, Jim Shannon, Mary Robinson, Julian Knight, Mr David Burrowes and Liz Kendall, presented
a Bill to amend the Housing Act 1996 to make provision about measures for reducing homelessness; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 28 October, and to be printed (Bill 7).

**National Minimum Wage (Workplace Internships) Bill**

Presentation and First Reading (Standing Order No. 57)

Alec Shelbrooke presented a Bill to require the Secretary of State to apply the provisions of the National Minimum Wage Act 1998 to workplace internships; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 4 November, and to be printed (Bill 8).

**Parliamentary Constituencies (Amendment) Bill**

Presentation and First Reading (Standing Order No. 57)

Pat Glass presented a Bill to amend the Parliamentary Constituencies Act 1986 to make provision about the number and size of parliamentary constituencies in the United Kingdom; to specify how the size of a constituency is to be calculated; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 18 November, and to be printed (Bill 9).

**Awards for Valour (Protection) Bill**

Presentation and First Reading (Standing Order No. 57)

Kelly Tolhurst, on behalf of Gareth Johnson, presented a Bill to prohibit the wearing or public display, by a person not entitled to do so, of medals or insignia awarded for valour, with the intent to deceive.

Bill read the First time; to be read a Second time on Friday 25 November, and to be printed (Bill 10).

**Benefit Claimants Sanctions (Required Assessment) Bill**

Presentation and First Reading (Standing Order No. 57)

Mhairi Black, supported by Chris Law, Mr Dennis Skinner, Liz Saville Roberts, Caroline Lucas, Ian Blackford, Carolyn Harris, Angela Crawley and Andrew Percy, presented a Bill to require assessment of a benefit claimant's circumstances before the implementation of sanctions; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 2 December, and to be printed (Bill 11).

**Preventing and Combating Violence against Women and Domestic Violence (Ratification of Convention) Bill**

Presentation and First Reading (Standing Order No. 57)

Dr Eilidh Whiteford, supported by Mrs Maria Miller, Jess Phillips, Gavin Newlands, Liz Saville Roberts, Fiona Mactaggart, Angela Crawley, Mr Alistair Carmichael, Ms Margaret Ritchie, Alison Thewliss and Lady Hermon, presented a Bill to require the United Kingdom to ratify the Council of Europe Convention on preventing and combating violence against women and domestic violence (the Istanbul Convention); and for connected purposes.

Bill read the First time; to be read a Second time on Friday 16 December, and to be printed (Bill 12).

**Families with Children and Young People in Debt (Respite) Bill**

Presentation and First Reading (Standing Order No. 57)

Kelly Tolhurst, supported by Mark Garnier, Amanda Milling, Craig Mackinlay, Victoria Borwick, Roger Mullin, Angela Crawley, Antoinette Sandbach, Yvonne Fovargue, Ian Paisley, Ben Howlett and Jo Churchill, presented a Bill to place a duty on lenders and creditors to provide periods of financial respite for families with children and young people in debt in certain circumstances; to place a duty on public authorities to provide access to related advice, guidance and support in those circumstances; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 28 October, and to be printed (Bill 13).

**Registration of Marriage Bill**

Presentation and First Reading (Standing Order No. 57)

Edward Argar, supported by Sir Simon Burns, Victoria Atkins, Simon Hoare, Seema Kennedy, Wes Streeting, Christina Rees, Jess Phillips, Stephen Doughty, Nigel Huddleston and Greg Mulholland, presented a Bill to make provision about the registration of marriages.

Bill read the First time; to be read a Second time on Friday 25 November, and to be printed (Bill 14).

**Assets of Community Value Bill**

Presentation and First Reading (Standing Order No. 57)

James Morris presented a Bill to make provision about the disposal of land included in a local authority's list of assets of community value; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 25 November, and to be printed (Bill 15).

**Double Taxation Treaties (Developing Countries) Bill**

Presentation and First Reading (Standing Order No. 57)

Roger Mullin, supported by Kirsty Blackman, Patrick Grady, Michelle Thomson, George Kerevan and Ian Blackford, presented a Bill to place a duty on the Chancellor of the Exchequer to align the outcomes of double taxation treaties with developing countries with the goal of the United Kingdom's overseas development aid programme for reducing poverty and to report to Parliament thereon; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 16 December, and to be printed (Bill 16).

**Farriers (Registration) Bill**

Presentation and First Reading (Standing Order No. 57)

Byron Davies, supported by Chris Davies, Dr James Davies, Craig Williams and Mike Wood, presented a Bill to make provision about the constitution of the Farriers Registration Council and its committees.

Bill read the First time; to be read a Second time on Friday 13 January, and to be printed (Bill 17).

**Parking Places (Variation of Charges) Bill**

Presentation and First Reading (Standing Order No. 57)

David Tredinnick presented a Bill to make provision in relation to the procedure to be followed by local authorities when varying the charges to be paid in connection with the use of certain parking places.

Bill read the First time; to be read a Second time on Friday 25 November, and to be printed (Bill 18).
DISABILITY EQUALITY TRAINING (TAXI AND PRIVATE HIRE VEHICLE DRIVERS)

Presentation and First Reading (Standing Order No. 57)

Andrew Gwynne, supported by Andrew Stephenson, Mrs Sharon Hodgson, Byron Davies, Norman Lamb, Lyn Brown, Mark Menzies, Barbara Keeley, Robert Flello, Mims Davies, Helen Jones and Diana Johnson, presented a Bill to make the completion of disability equality training a requirement for the licensing of taxi and private hire vehicle drivers in England and Wales; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 18 November, and to be printed (Bill 19).

GANGMASTERS (LICENSING) AND LABOUR ABUSE AUTHORITY

Presentation and First Reading (Standing Order No. 57)

Louise Haigh, supported by Mr Chuka Umunna, Mr Iain Wright, Chris White, James Cleverly, Paul Blomfield, Lisa Nandy, Will Quince, Greg Mulholland, Chris Stephens, Stella Creasy and Mr Dennis Skinner, presented Bill to amend the Gangmasters (Licensing) Act 2004 to apply its provisions to certain sectors including construction, care services, retail, cleaning, warehousing and the transportation of goods; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 4 November, and to be printed (Bill 20).

INTERNATIONAL TRADE AND INVESTMENT (NHS PROTECTION)

Presentation and First Reading (Standing Order No. 57)

Mrs Anne Main, on behalf of Mr Peter Lilley, presented a Bill to require the National Health Service to be exempted from the provisions of international trade and investment agreements; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 2 December, and to be printed (Bill 21).

KEW GARDENS (LEASES)

Presentation and First Reading (Standing Order No. 57)

Mr Ian Liddell-Grainger presented a Bill to provide that the Secretary of State’s powers in relation to the management of the Royal Botanic Gardens, Kew, include the power to grant a lease in respect of land for a period of up to 150 years.

Bill read the First time; to be read a Second time on Friday 18 November, and to be printed (Bill 22).

MERCHANT SHIPPING (HOMOSEXUAL CONDUCT)

Presentation and First Reading (Standing Order No. 57)

John Glen presented a Bill to repeal sections 146(4) and 147(3) of the Criminal Justice and Public Order Act 1994.

Bill read the First time; to be read a Second time on Friday 20 January, and to be printed (Bill 23).

COUNTER-TERRORISM AND SECURITY ACT 2015 (AMENDMENT)

Presentation and First Reading (Standing Order No. 57)

Lucy Allan presented a Bill to repeal provisions in the Counter-Terrorism and Security Act 2015 requiring teachers, carers and responsible adults to report signs of extremism or radicalisation amongst children in primary school, nursery school or other pre-school educational settings; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 27 January, and to be printed (Bill 24).

CHILD POVERTY IN THE UK (TARGET FOR REDUCTION)

Presentation and First Reading (Standing Order No. 57)

Dan Jarvis presented a Bill to establish a target for the reduction of child poverty in the United Kingdom; to make provision about reporting against such a target; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 3 February, and to be printed (Bill 25).
The leave vote in last week’s referendum has left us all with an immense series of tasks, and the economic situation is a major challenge for us all. Let me run through some of the headline items that we know about over these last few days: the UK’s triple A credit rating has been lost; the pound fell to a 31-year low; sterling markets have been in turmoil, as have stock markets here and abroad; the FTSE 100 index registered the biggest single-day fall since the bankruptcy of Lehman Brothers in 2008; employers, most notably in the financial services, are already looking to relocate jobs, with a quarter of all those employers saying that they have introduced a hiring freeze; and shares in UK banks have fallen dramatically. These are not comments, but realities, and this is just an outline of the situation that now obtains.

John Redwood: Will the hon. Gentleman welcome the fact that the bond markets did the opposite of what the ratings agencies suggested? They said that the price of bonds should go down and the cost of state borrowing should go up, but I am very pleased to tell him that the opposite happened: bonds are at a new all-time high and, according to the market, we have record lows of borrowing costs. Does this not prove that the markets actually had a huge vote of confidence in respect of state debt and state creditworthiness?

John McDonnell: It proves the chaotic nature of the market at the moment.

Let me look ahead. Most major forecasters have revised their expectations of future growth sharply downwards. There is a major loss of capacity and the potential for permanent damage to the UK’s growth prospects cannot be ruled out. We await an official assessment from the Office for Budget Responsibility, as the Chancellor announced in his statement on Monday morning. I think that an initial assessment should be given sooner rather than later, but ongoing close monitoring would be welcome, with regular reports to Parliament to ensure that that is happening. There is a prospect that the OBR will report at least a serious worsening in the public finances.

Mr Jim Cunningham: What assessment has my hon. Friend made of the Chancellor’s statement a couple of days ago that taxes might have to go up and be followed by further cuts? Is not this a further infliction of austerity on the British people?

John McDonnell: I shall come on to that later in my speech. I want to deal with the implications of the Chancellor’s statement on Monday for future Budgets, if I may. In a situation like this, it is essential to introduce some clarity. There is great uncertainty, both for those fearing for their jobs and those worried about the volatility of the financial markets over the last few days. It is up to us—I mean the whole House—to secure some clarity and a clear sense of direction in our debate.

Let me clarify why the referendum result has led to this situation. There were warnings that a vote to leave would produce this shock. Economic forecasting is, as we know, not an exact science, even at best, but every forecaster with any credibility pointed towards a significant negative shock from a leave vote. The main disagreements
were about the size of that shock, and I have to say that
the warnings should have been heeded. It was irresponsible
of those campaigning for leave not just to gloss over
them, but to make the claim that a leave vote would lead
only to warm sunny uplands. The truth is that the shock
is already significant and could rapidly worsen if action
is not taken.

We welcome the Governor of the Bank of England’s
commitment to take steps to extend liquidity provision
to banks if necessary, and to stand ready with further
measures. We welcome the fact that the Chancellor has
been in urgent consultation during the weekend with
those in the financial services industry and our international
partners. We will support measures to stabilise the
markets and dampen volatility, but with the firm
caveat that these measures—this was the point made
by my hon. Friend the Member for Coventry South
(Mr Cunningham)—should not impose costs on households
or small businesses. Despite his earlier statements, the
Chancellor has ruled out his previous contractionary
emergency Budget until the fiscal position is made clear,
and this is to be strongly welcomed.

To move forward, we have to be honest in our assessment
of the current situation if we are to ensure that the
correct remedies are agreed for the future. We do not
share the Chancellor’s assessment, as he knows, of the
broader economic picture. His claim that the roof was
fixed while the sun was shining belies the reality. The
leave vote is having a greater impact because the roof
has not been fixed, as we saw in the Office for Budget
Responsibility’s assessment of the UK’s fiscal position
that was published alongside this year’s Budget.

John McDonnell: I remember the Chancellor promising
that the deficit would have been eradicated last year.
Although we welcome the jobs that the hon. Gentleman
mentions, many of them are, unfortunately, insecure
and poorly paid. However, we welcomed and supported
the capital requirements relating to banks. I hope that
the Conservatives can accept that balanced assessment.

At the centre of the OBR’s pessimistic assessment
was the stagnation of UK productivity. According to
the latest available data, between 2007 and 2014—Members
on both sides of the House have raised this point—
productivity did not grow. That is the worst performance
by any G7 economy, and it means that today, on average,
every hour worked in the UK is a third less productive
than in the United States, Germany or France. This
productivity stagnation has happened on the present
Chancellor’s watch. It is clear that his long-term economic
strategy has failed, as he has not secured the basis for
long-term growth. Can we at least agree that from now
on that we need a comprehensive strategy to deal with
the productivity crisis?

Over the past few years, growth has relied too much
on two things. First, although the economy has produced
a large number of jobs, they have been poorly paid and
insecure. Secondly, growth is unfortunately becoming
more and more dependent on a return to household
borrowing. We have not yet hit the level of 2008, but the
OBR forecasts an unprecedented five years of continual
household deficits.

Alongside our deficit with the rest of the world, our
current account deficit has widened to its highest level
since the 18th century. At 7% of gross domestic product,
it is the largest current account deficit in any major
developed economy. To finance the gap, borrowing
from the rest of the world and the sale of UK assets
have reached record levels, alongside assets sales to the
rest of the world involving a range of facilities, to some
of which there have been significant objections in the
House. Relative to GDP, the UK now has a larger
overseas debt than any other major developed country.
We have been able to finance the current account deficit,
 despite weak productivity growth, because of what
Mark Carney described, in a recent lecture, as “the
kindness of strangers”.

George Kerevan (East Lothian) (SNP): Does the shadow
Chancellor agree that the current account deficit is
essentially being funded by foreign direct investment,
which includes the purchase of assets in this country by
Chinese organisations? How does that relate to Britain
taking back control?

John McDonnell: Labour has consistently presented
arguments in the House about the asset sales that have
taken place. In the past, they have been described as
selling the family silver, but in recent years we have been
selling the floorboards and the fabric of the building
itself.

Investors in the rest of the world have been willing to
overlook some of the fundamentals of our economy in
the belief that the country is politically stable, and has
secure banks and a booming property market. Overseas
investors have been willing to buy assets and lend
money on a grand scale as a result. Owing to the leave
vote, however, that “kindness of strangers” is now in
short supply. Given the uncertainty over the UK’s
relationship with the rest of the world, the confidence
of international investors in its position has been
undermined.

James Cartlidge (South Suffolk) (Con): I welcome
the hon. Gentleman’s focus on this point. My biggest
worry is that we are dependent on inward investment
which, according to Fitch, may fall by 5% this year.
Does he agree that whatever happens in the negotiation,
the single most important message that must come out
of it is that we are still an open economy, and will not
resort to protectionism?

John McDonnell: I fully agree. I echo the Chancellor’s
statement on Monday that this country is open for
business, and Members of all political parties must
repeat it time and again to ensure that we retain the
confidence of overseas investors as best we can.
We have to recognise that the confidence of international investors has been undermined by uncertainty over the UK’s relationship with the rest of the world. It is regrettable that the current account deficit has not been addressed so far. To address it would have required a restructuring of our economy. We would have needed an industrial strategy to develop and support our key industries. The Government must now produce a comprehensive industrial strategy to support those industries and lay a path to future growth.

Bob Blackman (Harrow East) (Con): Given that uncertainty, does the hon. Gentleman welcome the fact that the Speaker of the House of Representatives has today called for immediate talks between the United States and the UK about setting up a trade deal that will be in place for the US when we leave the EU? Does he also welcome the statements from the Indian Government, who want a trade deal between the UK and India to be arranged immediately so that we can ensure that there is no interruption to the UK economy?

John McDonnell: It must be recognised that the trading relationship with India, although growing, is still relatively small. I welcome the negotiations that are taking place, but we know from our experience of the timescale in which trade agreements have been secured over much of the past decade that the process is lengthy, and that when individual states negotiate on their own, they do not necessarily achieve the benefits that they would have secured within a trading bloc.

The simplest explanation for these decisive economic weaknesses is the poor state of investment in the UK. Admittedly, business investment was already in decline before the referendum, but it is undoubtedly falling still further, and, as the press has reported, the ongoing uncertainty alone is enough to deter investment. That fall in business investment is being worsened by the Government’s plans to cut their own investment which, according to current projections, is set to fall by the end of the decade. Without sustained investment—private and Government investment—we shall not be able to address the economic decline that has blighted too much of our country.

David Rutley (Macclesfield) (Con): The hon. Gentleman talks about the need for an industrial strategy. The Government have set out important strategies for key industries such as life sciences, and, of course, for a northern powerhouse to help to rebalance the economy. Given the challenges that we face and the continuing need to rebalance the economy, will the Opposition now get behind the Government’s plans and, in particular, support the northern powerhouse, about which they have been equivocal?

John McDonnell: We have welcomed initiatives to try to rebalance the economy; the problem has been the success rate. The investment pipeline that the Chancellor announced several years ago has been less than 20% successful. Five years on, we have seen only £1 billion of the £20 billion that was meant to come from pension funds. The Government announce well, but they do not implement very well. There is too much government by press release rather than by implementation.

Kit Malthouse (North West Hampshire) (Con): Will the hon. Gentleman give way?

John McDonnell: I will come back to the hon. Gentleman, but I must press on for a while.

It is important to recognise that economic decline and regional inequality, and the deep-rooted alienation and despair that they have produced, contributed to the fact that so many people voted to leave the EU. Some fear that a shock to business investment spending would help to push the entire economy into another recession. Again, I call for a fresh programme of Government investment to produce shovel-ready projects, especially in the areas that have been hardest hit by long-term economic decline.

Alec Shelbrooke (Elmet and Rothwell) (Con): May I point out to the hon. Gentleman, in the spirit of the conversation that is taking place this afternoon, that there has been considerable investment in some northern cities, such as my city of Leeds? In the last month, Kirkstall Forge railway station opened in the constituency of his hon. Friend the Member for Leeds West (Rachel Reeves), and half a billion has been spent on other projects in the city. It is not all talk—I understand the politics of it—but I want the hon. Gentleman to understand that some of our great northern cities have benefited from real investment.

John McDonnell: We must not talk down some of the success that has been achieved so far, but, although it has dealt with regional economic problems, it has not been on a sufficient scale to rebalance the economy in the way that was promised. As a result, a disillusioned section of the electorate were willing to blame anyone, including migrants and including the EU, and accordingly voted to leave. People felt that communities had been left behind, and I believe that that is a consequence of the lack of investment in recent years.

Wayne David (Caerphilly) (Lab): Does my hon. Friend agree that it would be a huge boost to the British economy if the £16 billion initiative for the expansion of Heathrow went ahead, and will he support my call for a free vote on the issue before the recess?

John McDonnell: I have to give my hon. Friend his due; he chances his arm. I am sure that there is a need for investment—selective investment—in aviation.

Kit Malthouse: Will the hon. Gentleman give way?

John McDonnell: We are short of time and a lot of Members wish to speak.

Whenever aviation expansion takes place, it will be judged on the criteria that the Labour party has set, which include the environmental impact and the impact on the wider economy. We await the proposals from the Government and we will then take our decision.

The referendum vote has forced a debate on the best course for our economy and for economic policy. It is unlikely that a simple return to business as usual will be possible or even desirable, but there are immediate steps that can be taken to calm market volatility and to limit the shock to demand. It is incumbent on the Government to take those necessary measures and Labour, in the
national interest, will support measures intended to stabilise the economy when they protect households and businesses.

On monetary policy, of course authority rests with the Bank of England to intervene to preserve the stability of banks and the wider economy. Governor Mark Carney’s Friday morning statement was important in helping to stabilise the immediate situation. However, some interventions by the Bank will require authorisation from the Government. To ensure the success of those interventions, it will be helpful if the House is kept as fully informed as practicable of those authorisations, with regular updates.

On fiscal policy, with the expected slump in demand, the Government’s present fiscal charter is, to say the least, increasingly anachronistic. With the Chancellor having missed two of his three targets—on debt and on the welfare cap—he will now have to suspend the deficit target. The charter’s restriction on investment spending in particular is impossible to defend. For the regions, a squeeze on Government investment could be especially damaging.

Last year—this was raised earlier at Question Time—over £10 billion was provided in regional development funding by the EU. That was concentrated on our most deprived regions and places that needed it the most. What steps are the Government taking to ensure that that essential funding will now be made good? What structures are being put in place to liaison with elected mayors, local government leaders and regional bodies to address the loss of EU funds?

The UK currently holds a 16% stake in the European Investment Bank, which last year disbursed a record £6 billion in investment for the UK. That includes £1 billion for social housing. What steps are the Government taking to maintain current programme funding? What plans do the Government have for the UK’s stake in the European Investment Bank?

John Redwood: Will the hon. Gentleman give way?

John McDonnell: May I press on? I have taken a significant number of interventions and I am worried about time.

Significant uncertainties have been created for those trading with Europe, including manufacturers that are reliant on extended supply chains across the EU. What measures are the Government putting in place to support supply chains that are threatened by the severance of those ties and the falling value of the pound?

Exit from the EU threatens the UK’s continued status as a global financial centre. A number of major banks have already put in place plans to move jobs from the UK. They are fearful of the loss of their European Union passport that allows them to win business across the EU. We need to know soon from the Government how they will ensure that those passport rights are retained. I hear that one French negotiating position is to offer EEA status with some controls on freedom of movement, but the loss of bank passporting rights. Clearly that is a move to encourage bank migration from London and it is unacceptable. The resignation of Lord Hill as Finance Commissioner means that the UK currently has no voice at Commission level to argue the case for UK finance. What steps will the Government take to ensure that the voice of UK finance continues to be heard in Europe? May we propose to Government that, as a matter of urgency, they establish a working group to monitor the ongoing threat to the UK’s financial stability, working with representatives from across the financial services industry?

It would be wrong not to mention the threats that have been made to community cohesion following the vote to leave. I was very concerned to hear about the attacks on the Polish community. Any such attacks must be condemned outright by the whole House. I have a Polish community in my constituency. The Polish War Memorial nearby at Northolt stands testimony to the sacrifices of Polish pilots during the second world war. I have attended many meetings at the Polish centre in Hammersmith, which was disgracefully attacked. I send my message of solidarity to that community and anyone else suffering from the rise in racism. What mechanisms will the Government put in place with local government leaders and city mayors to protect these communities, to help to overcome these divisive actions and to resource the programmes that will be brought forward?

We will get through this period of uncertainty, as Britain has done many times in the past. There are real strengths in our economy, not least our talented and dedicated workforce. None the less, volatility continues and grave uncertainties remain about the UK’s future relationship with our European partners and the wider world. The future direction of Government strategy is not yet determined, but Labour is prepared, in the national interest, to work with the Government and our parliamentary colleagues on both sides of the House to ensure that the best interests of the British people are secured. I commend the motion to the House.

3.16 pm

The First Secretary of State and Chancellor of the Exchequer (Mr George Osborne): I very much welcome this opportunity to update Parliament and the country on some of the economic challenges that we now face. I welcome the hon. Member for Salford and Eccles (Rebecca Long Bailey) to her new position as shadow Chief Secretary. I will not welcome all the new members of the Labour Front Bench because it would be a bit like the presentation of the Bills that we just saw, but it is very good that the shadow Chancellor is still in place, and he has 80% of the support of the Conservative parliamentary party to remain there.

May I respond to this sober debate with a message of reassurance and realism? I say at the outset that because this is a challenging time and this is a good opportunity for the House to discuss these issues, we are not going to seek to divide the House on the motion today.

That message begins with the reality that I have never shied away from telling the country the truth, as I have seen it, about our economic challenges, and we do now face very significant economic challenges as a result of the referendum decision last week. I do not resist from being of the concerns that I have about the referendum but I want to provide reassurance that we are about as well placed as we could possibly be to meet the challenges that lie ahead. The shadow Chancellor was correct to
raise problems such as low productivity growth, which bedevil many western economies, but the British economy has been the strongest advanced economy in the world in recent years. We have the highest employment rate in our history. The capital requirements for our banks are 10 times higher than they were before the financial crisis. Inflation is low and stable, and real wages and household disposable incomes have been growing. These things did not happen by accident—they happened because over the last six years we took difficult, sometimes painful decisions in order to rebuild our economy, to strengthen our banks and to put our public finances in better order. We said we would fix the roof—and thank goodness we made the progress that we did.

While I personally gave everything to campaigning for a different outcome, we saw a clear result in the referendum. I accept that result and the Government accept that result. Now we need to implement that decision and deliver for the British people on the instructions they have given us.

**John Redwood:** As the 10-year cost of borrowing has fallen from 1.4% to under 1% and the rate for 30-year money is now under 2%—record lows—does that not mean that there will a windfall element from lower interest charges? Will the Government consider funding the debt longer at this advantageous time for borrowing?

**Mr Osborne:** My right hon. Friend is right to point to the fall in UK gilt yields, but there has been something of a flight to safety. In the last six years, we have made UK Government debt a safe haven in stormy waters, and on this side collectively we can take enormous pride in the fact that we have done that. It is very different of course from the situation six years ago when yields were increasing in the face of economic difficulties, whereas here they have come in.

In terms of the financing of the debt, I have already on a number of occasions over the last six years changed the skew of the Debt Management Office’s debt plan and made sure we have more longer-dated debt than we would otherwise have had. One of the reasons why international investors and others have confidence in the UK gilt market is that we do not chop and change all the time every week, so while my right hon. Friend makes a very good point, I do not think we should immediately respond to the events of the last week by changing our financing remit. Indeed, the message we need to be sending very clearly is one of stability and reassurance. That brings me to the plan I believe we should now follow.

First, it involves ensuring financial stability, and that is precisely what we have been doing in the past few days. In the run-up to the referendum, the Treasury worked closely with the Bank of England and the Financial Conduct Authority to put in place robust contingency plans for the immediate impact of a leave vote. I met the Governor of the Bank of England to discuss it on a number of occasions, and the Financial Policy Committee and the Monetary Policy Committee both had special meetings to discuss those contingency plans. The Prudential Regulation Authority—essentially, our bank regulator—worked systematically with each major financial institution to make sure they were financially sound and prepared for whatever the outcome of the referendum was going to be. The Bank of England pre-announced additional liquidity auctions to support the banking sector. People will have seen this week from the result of those auctions that that liquidity has been provided. Over the last few days, we have been working closely alongside Finance Ministers and central bank governors across the G7 nations and the nations of the European Union to make sure that we are monitoring developments closely and are ready to respond. The president of the European Central Bank updated the European Council yesterday—the Prime Minister reported on that to the House earlier—but it has to be said that the update was not particularly rosy. Let us be clear: these contingency plans were designed to prevent disorder in markets; they were not designed to stop markets adjusting to the new economic reality.

I can reassure the House today that our major banks are resilient. Capital and liquidity remain strong, and this morning we have seen greater stability in the major banks’ share prices, and the currency markets are continuing to function effectively. But there have been significant adjustments, and we have to be realistic about the impact of the referendum on the financial markets.

**George Kerevan:** The resilience and stability of our banks is to be welcomed, but it is clearly at the price of pumping so much central bank money into the system that bank share prices are falling, and the future commercial prospects for our banking system have been undermined. The system is not as stable as the Chancellor is telling us.

**Mr Osborne:** The stability of our financial institutions is there for people to see. It has been assured by our regulators. If the hon. Gentleman is saying that the market is making new assessments about the future earnings of banks, yes, that is so, and it is quite striking that it is banks that face the UK economy that have seen the sharp falls in their share prices, not banks that face the European and international economy. We have to be realistic: markets—free markets—are going to make those kinds of adjustments. We have seen those—the shadow Chancellor noted them—but it is striking that there has been the largest one-day fall against the dollar on record for our pound sterling. Equity markets, particularly the FTSE 250—which largely comprises companies that, again, face the UK domestic market—fell by 14%, and they are now 9% below their level. The particular sectors that have been affected are British retail banking, house building and short-haul airlines, some of which have seen their share price fall by more than 40%.

**Kit Malthouse:** Notwithstanding what the Chancellor of the Exchequer has said, will he acknowledge the benefits of a weaker exchange rate? For a country that is running a large trade deficit, having a significantly weaker exchange rate will make a large difference, particularly to exporters, and it means that we are more likely now to avoid deflation in the economy, which not a few months ago people were forecasting was likely to hit us.

**Mr Osborne:** I agree with my hon. Friend that a free-floating currency is a shock-absorber that we have the benefit of. We do not have a fixed exchange rate, and
of course we are not part of a single currency, so the currency can take some of the strain, and that is reflected in the currency market.

The only thing I would caution my hon. Friend on is this: in 2008 we saw a sharp fall in sterling, and that was sustained, but it did not lead to the boost in exports that people expected at that point. That was partly because other markets, including European markets, were depressed, but, as we came to discover, it was also the case that integrated supply chains these days are more international. For example, car exporters might benefit from the fall in the currency in terms of the price they sell their cars for, but they will have imported parts and will have seen import prices go up. Unfortunately retailers are also warning us that prices in supermarkets, for example, may well now rise because of the fall in the currency, but we will wait and see.

Of course the other challenge we face is from the credit rating agencies—not that everything they say is gospel. Unfortunately, we lost our triple-A rating with Standard & Poor’s and were downgraded two notches a few days ago.

Mr Jim Cunningham: Are we still using quantitative easing, and if not, when did that end?

Mr Osborne: The shadow Chancellor raised questions about monetary policy. Obviously the Bank of England is independent. The MPC set out the challenging trade-off it might face between a fall in output and a rise in inflation. We will have to wait and see how MPC responds to the judgment it has to make.

The central bank has not been undertaking quantitative easing, but the arrangements put in place by my predecessor Alistair Darling—essentially, the authorisation arrangements—remain in place. In other words, the MPC will be able to use any of the monetary policy instruments in its toolkit, but that is entirely a judgment for it. We will wait to see how it responds to the challenges it faces.

Mims Davies (Eastleigh) (Con): This June, sadly, the sun is not shining, and like many MPs I have been contacted by constituents who may wish to delve into a second referendum. Democracy gives us a say, not necessarily our way. Does the Chancellor believe that even looking at a second referendum would do massive damage to our improved finances and delay and disrupt further infrastructure projects which are so vital to our communities?

Mr Osborne: I fought passionately to remain in the European Union, not because I was a massive fan of the EU with all its problems but because I thought it was better for Britain to be in the EU than outside it, but I absolutely accept the result of the referendum. I do not think it is credible, in the days after the result, to say, “The people got it wrong. We need to elect a new people.” In our democracy, we need to respect the result that the British people have given us and, as representatives of the population in this Parliament, our obligation is now to get on and deliver what they have asked us to deliver, to the best of our ability.

Ian Blackford (Ross, Skye and Lochaber) (SNP): The Chancellor is being very candid in his remarks this afternoon. He has referred to the situation with the banks, and I have noticed that Goldman Sachs has downgraded its profit forecast for the UK banking sector by €10 billion over the next two years. Will he reflect on what that means for the UK economy and for tax receipts? Will he also reflect on the importance that is placed on getting out of our banking holdings over time? Does he not think that this is a self-induced problem that has been created by the Conservative Government’s manifesto commitments? Does he not regret the fact that it is the Conservative party, through its internal dispute, that has got us into this terrible mess in the first place?

Mr Osborne: The short answer to that is: no I do not. I do not think that it is wrong, in a democracy, to ask the people about very big constitutional issues. In all the years that I have been a Member of Parliament—and, indeed, before that—the question of our relationship with the EU has hung over our political system and our body politic. I am surprised to hear a Scottish nationalist raise doubts about the effectiveness of referendums, but there we are.

We have well thought-through contingency plans and they remain in place in case financial conditions should deteriorate. The market should not doubt our resolve. We are absolutely determined that, unlike eight years ago, Britain’s financial system will help our country to deal with any shocks and dampen them, rather than contributing to those shocks or making them worse. As the shadow Chancellor requested earlier, I shall of course keep the House informed. However, we have to accept that some investment and hiring decisions will continue to be paused as firms adjust to the uncertainty caused by the referendum. There is already survey evidence and anecdotal evidence of this. So the second part of our plan—the first part involves financial stability—has to be resolved that uncertainty as quickly as is practical in a democratic system.

Nick Smith (Blaenau Gwent) (Lab): European Union funds have helped economic development in my constituency. What measures is the Chancellor going to take to ensure that areas such as south Wales continue to receive support for infrastructure and to help to boost jobs in our valleys?

Mr Osborne: We are going to face some big questions about providing support to the institutions, regions and sectors that have been receiving European Union assistance. Most notably the regional support that has been provided to areas such as south Wales, the ongoing support that the EU provides for research in our universities and the support for our farming community. We in the House of Commons are going to have to address all those issues in the coming months and possibly beyond. However, at the moment we remain a member of the European Union—I shall talk about the procedure for our departure in a moment—and the European funding and grants will continue to be made. We are looking specifically at areas where questions have been asked about long-term uncertainty in relation to particular projects, and I will keep the House updated. This is a challenging question, which we have to answer, and we are looking at it very intensively now. But at the moment nothing has changed and we remain a member of the European Union.
Mr Nigel Dodds (Belfast North) (DUP): Will the Chancellor give way?

Mr Osborne: I will give way to the right hon. Gentleman and then make some progress.

Mr Dodds: As with so many issues, Northern Ireland has a direct interest in runway capacity in the south-east, and we want a decision on the issue raised by the hon. Member for Ilford North (Wes Streeting) as quickly as possible as well. Can the Chancellor assure me that the Treasury is talking to the Department of Finance in Northern Ireland and the Northern Ireland Executive so that Northern Ireland’s interests and concerns are very much in the thinking of Her Majesty’s Government?

Mr Osborne: That dialogue is taking place and I assure the right hon. Gentleman that it will continue to take place. We were on different sides of the argument when it came to the referendum, but he shares my view that Britain needs to be open to the world and trading with the world. That means having sufficient airport capacity to fly to the world and to allow the world to fly to us. I am sure that that view is universally accepted across the House, but we will find out.

The key challenge, to which I think we can rise, is working out through collective discussion and decision making the new relationship that we should seek with the European Union. Until we have agreed on an approach, we should not trigger article 50 and begin the process of exiting the European Union. As the Prime Minister said, “triggering article 50” is rightly a decision for the new Prime Minister and the new Government, and it is a decision that we will take at the right time, when we are ready and not before.

The economic uncertainty will have an impact on our public finances that is likely to be both cyclical and structural. The Office for Budget Responsibility will make its assessment of the economy this autumn—let me tell the shadow Chancellor that, to get the best possible forecast from the OBR, we have to wait a little for the dust to settle—and it will be for the new Government under a new Prime Minister to take the decisions about the adjustments that will be required to meet the new fiscal realities, but we should never forget that fiscal stability is the absolute bedrock of economic security. We must be realistic, but I want to reassure the House that our economy remains competitive and open for
business—we have the lowest corporate taxes in the G20, more people in work than ever before thanks to our welfare reforms, and our science and our universities are world class.

Let me pick up on a point that has been made throughout the debate in the country and in Parliament. We need to go on forging our links with key partners beyond Europe, such as with China and India. I never thought that we had to choose between Europe and forging new links with the rest of the world. Germany exports three times as much as we do to China, so it is clearly possible to do that within the European Union, but outside the European Union those links are more important than ever before.

I will travel to China next month as part of the G20 Finance Ministers meeting there. To pick up on a point that my hon. Friend the Member for Harrow East (Bob Blackman) made in an intervention, I have spoken to the US Treasury Secretary and the Speaker of Congress in the past couple of days about strengthening our ties with our great ally, America.

Kevin Hollinrake (Thirsk and Malton) (Con): Does the Chancellor agree that it is about not just new trade deals but the supply chains that he mentioned earlier and building those customer relationships over many decades, as we have with the European Union? We simply cannot take our trade from Europe one day and move it to the US or China the next.

Mr Osborne: My hon. Friend is completely right, but we should not have to choose between the two. It is perfectly possible to do a lot more business with India, America and China while also doing a lot of business with Europe. That would be a key part of Britain’s economic strength in the future. As I have said, in respecting the decision of the British people to leave the EU, we should now be seeking the closest possible terms of trade with the EU not just in goods but in services, including financial services.

The third and final part of the plan that we need to pursue was touched on by the shadow Chancellor—we think of it as a social issue, but it has economic ramifications as well—and that is that we must unite across the political spectrum and offer a very loud and clear message to this country that we have no tolerance of intolerance, hatred and bigotry. We need to send a message of reassurance to all the communities in our very successful, multi-faith, multi-race democracy that we will not tolerate those who want to divide us.

The reports of the graffiti on the Polish community centre in Hammersmith, of the people who have lived in the centre in Hammersmith, of the people who have lived in the centre in Hammersmith, of the people who have lived in the centre in Hammersmith, of the people who have lived in the centre in Hammersmith, of the people who have lived in the centre in Hammersmith, of the people who have lived in the centre in Hammersmith, of the people who have lived in the centre in Hammersmith, of the people who have lived in the centre in Hammersmith, of the people who have lived in the centre in Hammersmith, of the people who have lived in the centre in Hammersmith, of the people who have lived in the centre in Hammersmith, of the people who have lived in the centre in Hammersmith, and of the figures that have shown a big increase in the report of hate crimes all point to incidences that are alarming and unacceptable. It is not the British way. We should unite in condemning it. The Prime Minister made the right point.

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The reports of the graffiti on the Polish community centre in Hammersmith, of the people who have lived in this country for decades being told, “We voted you out”; and of the figures that have shown a big increase in the report of hate crimes all point to incidences that are appalling and unacceptable. It is not the British way. We should unite in condemning it. The Prime Minister and the Under-Secretary of State for the Home Department, my hon. Friend the Member for Staffordshire Moorlands (Karen Bradley), set out some of the additional steps that we are taking to combat this intolerance, but in this economic debate I say to business leaders that they should also play their part and make it clear that intimidating bullying of any kind in the workplace based on nationality or race should be identified and punished. Britain is an open, tolerant and diverse society where people of all faiths and none and of all nationalities and ways of life are welcome, as they have helped to build this successful country.

Therefore, there are three key things that we need to do now: go on ensuring financial stability; ensure that we resolve the economic uncertainty by working together to determine the model for our new relationship with the EU; and send out a strong message that we will not tolerate intolerance. If we deliver on those three parts of the plan, we will be doing the best we can to make this decision work for Britain and to fulfil the instructions of the British people. I must be straight with people in this country: the weeks and months ahead will not be easy, but, as always been the case in our history, it is during the moments of greatest challenge that our country must demonstrate its greatest resolve, and it often does.

3.44 pm

Stewart Hosie (Dundee East) (SNP): I thank the shadow Chancellor and the Chancellor for their tone so far. We will support any necessary and constructive measures to bring back confidence and stability, particularly to the markets. The shadow Chancellor was right to say that we cannot hide and that we must have a robust critique of what the referendum outcome may mean. Unusually, the vast majority of the criticism that I do make today will be directed not at the Chancellor, but at those who led the Brexit campaign, who once again since that referendum are absent from this Chamber.

We will support the motion before us, although that is rather superfluous, given that there will now be no vote. We agree with much of it, particularly in respect of the decision to rip Scotland and the UK out of the EU and the huge and real risks that that poses to the economy, to jobs and to prosperity. Those risks were brought about in part by the decision to hold the referendum, but much more importantly by the failure of those advocating Brexit to have any plan if they won. It is worth noting that when we had our first independence referendum, it was based on a 650-page White Paper, a detailed plan and a clear prospectus for what would happen. What the Brexit campaign leaders—the Lord Chancellor and the hon. Member for Uxbridge and South Ruislip (Boris Johnson)—had prepared was a few scribbled notes on the back of Nigel Farage’s fag packet. It really was not good enough.

James Cartlidge: The hon. Gentleman refers to the first referendum. He will recall that the big issue there was the currency that would be used by an independent Scotland. In the Bill being drafted, is it the assumption that Scotland would no longer use the pound and would have an alternative currency?

Stewart Hosie: We had better fix the problems caused by the Brexit decision and then, if we find ourselves unable to secure our place in the EU by any other means, the hon. Gentleman will be more than welcome to scrutinise whatever plans are brought forward.

Mr Stewart Jackson (Peterborough) (Con): The hon. Gentleman makes an eloquent point, but he is totally wrong. I have to set fire to his straw man. A general
election, where a policy programme is presented and a party is ready to take over with a fixed platform of policy, is different, as he knows, from a referendum. The referendum result is an instruction to the Government to deliver, and they should have been ready to take that instruction.

Stewart Hosie: We are now seeing the consequence of the lack of plan. The expectation that those who campaigned to stay in should be preparing the work for those who wanted to leave is preposterous in the extreme.

We back the motion also because the people of Scotland voted overwhelmingly to remain in the EU. We have shown ourselves to be a modern, outward-looking and inclusive country, and I share the view of others. We look on in horror as community cohesion is under threat as the racists and the bigots think the result of the referendum is a green light to abuse anyone from any other background. It is not, and we unreservedly condemn that racism and that bigotry.

Let us understand what happened in Scotland on the day of the referendum. The people there made it clear that they see their future as part of the EU: 62% of the Scottish people—a nation—voted to stay in the EU, compared with 48.1% across the UK, and 51.9% across the UK voted to leave; only 38% in Scotland chose to do that. Over 1.5 million people voted remain. Each and every one of the 32 council areas voted to remain—the only nation in the UK with a clean sweep of local authorities voting to stay in. At a little more than 67%, the turnout was the second highest of any referendum held in Scotland, even higher than the 1997 referendum on devolution. So while I understand what the Chancellor said about respecting the will of the UK people, I hope that the same will apply to respecting the will of the Scottish nation, who have clearly said that they intend to stay in.

Alec Shelbrooke: Given the clear decision that Scotland made, if it came to a vote on the Floor of the House on whether to implement article 50, would the SNP say no?

Stewart Hosie: The Government have made it clear that it will be for the next Government to bring forward such a vote. I think we have got until September or October at the earliest before we need to decide whether to do that.

We are disappointed that the UK voted to leave. That is not what we wanted. The priority must be, as others have said, to stabilise markets and to protect the economy. That is why our First Minister is in Brussels today, and it is why she has said that our Government are exploring each and every potential avenue to maintain Scotland’s EU status, because that is where the instability is coming from.

Let me say one more thing about the previous referendum, and then I will move on to the economic consequences. It is democratically unacceptable for Scotland to be removed from the EU against its will. The irony is that we were told time after time before our independence referendum that the threat to our position in the EU came from independence. Alistair Darling told us that in November 2012. Ruth Davidson told us that on 2 September 2014:

“It is disingenuous...to say that no means out and yes means in, when actually the opposite is true. No means we stay in,” she said. Even the Better Together campaign tweeted the same day:

“What is process for removing our EU citizenship? Voting yes.”

How wrong, and how misleading that all was. Our place in the EU was never under threat from independence; it was, and it is now, very much in jeopardy only because of the UK decision to leave.

I will move on from that. Now is the time for calm, measured reflection, with our First Minister and Government doing everything they can, including talking directly to Brussels today, to secure our European status and to provide as much reassurance and certainty as we can over the next days and weeks. It is the time for being reassuring, as we all should and must, to individuals from the EU and further afield, because we believe—as most in this House believe—that they remain welcome and appreciated here.

We must also do all we can to help to restore financial stability, to reassure the business community and to emphasise that, of now, we remain members of the EU and we are firmly in the EU; that trade and business should continue; and that we should all do everything we can to say to those planning inward investment, “This remains a place where one should invest one’s capital with confidence.”

Why is this important? Because the FTSE 100 dropped by 8.4% on the morning of 24 June. On 27 June the downward trend continued; by late afternoon, the FTSE was down another 150 points, or 2.5%. Friday morning’s sudden drop meant that £137 billion was wiped off UK blue chip stocks within minutes of the markets opening. As the Chancellor said earlier, banks, house builders and others were the biggest fallers. Taylor Wimpey was down 42%, Persimmon 40% and RBS 34%. During Monday morning, trading in the shares of Barclays and RBS was briefly halted as the sharp losses exceeded 10% of their stock value. After trading was restarted, the share price of both companies continued to fall and move wildly because of the uncertainty. The FTSE 250 index, which has more businesses in it that are exposed to the domestic market, fell even further—by 7.2%, or 1,200 points. Those were extraordinary falls and changes in both markets. PageGroup fell the least; there was a 58% slump in the value of its stock.

Mike Wood (Dudley South) (Con): While I recognise the figures the hon. Gentleman quotes, does he accept that the FTSE 100 is currently trading at around 6,300, which is higher than it has been for most of the last six months?

Stewart Hosie: Indeed, and I will come to the recovery in certain areas in just a moment. The hon. Gentleman is right when it comes to the FTSE 100, but let me come to all the other indices, and we will see the real damage and how it is being played out.

It was not simply stock prices that were affected. Sterling was trading at $1.45 before the referendum. The value of the pound against the dollar fell by almost...
Poor's following the Brexit vote. Standard & Poor's said the UK lost its triple A credit rating from Standard & it fell again on Monday the 27th.

against the euro fell almost 6% on Friday the 24th, and that is the crux of the matter. The value of the pound which failed to have a plan to deal with this eventuality—because of the actions taken by the Brexit campaign, We have had a near three decade low in the pound muttered from people who want everything to be fine. 

the lack of confidence at the moment are precisely what the index moves up or down slightly at any given time, 250 is far more exposed to the domestic market. Whether exposed, we see that the fall has been catastrophic.

Stewart Hosie: That is absolutely correct. The FTSE 250 is far more exposed to the domestic market. Whether the index moves up or down slightly at any given time, the key point is that the exposure to the UK market and the lack of confidence at the moment are precisely what is driving that uncertainty.

Kit Malthouse: Will the hon. Gentleman give way?

Stewart Hosie: No, I will not give way at the moment.

I was pointing out that the fall in the pound was twice that in 1992. By Monday the 27th, it fell another 2%, to $1.32—a three-decade low. [Interruption.] There are mutterings from people who want everything to be fine. We have had a near three decade low in the pound because of the actions taken by the Brexit campaign, which failed to have a plan to deal with this eventuality—that is the crux of the matter. The value of the pound against the euro fell almost 6% on Friday the 24th, and it fell again on Monday the 27th.

Most alarming, given the stock placed on it, was that the UK lost its triple A credit rating from Standard & Poor’s following the Brexit vote. Standard & Poor's said the referendum result could lead to a “deterioration of the UK's economic performance, including its large financial services sector”.

It was the first time that Standard & Poor's had downgraded a triple A-rated sovereign by two notches in one go. On Friday the 24th, Moody's cut the credit outlook from stable to negative, saying the result could lead to a prolonged period of uncertainty. By changing its outlook to negative, it has warned that the UK’s Aa1 rating is also at risk of being lowered, and with that, obviously, comes the risk of higher borrowing costs.

And that is before we get to the real world and job security. The Institute of Directors surveyed 1,000 of its members. It found that a quarter plan to freeze recruitment. Two thirds said the vote was negative for their business. The BBC has reported that HSBC plans to move up to 1,000 staff who process payments in euros from London to Paris. Others are deeply concerned about the loss of passporting arrangements, which mean that firms do not have to have different authorisations for individuals in individual countries. These are very real concerns, but they are being whitewashed and brushed over by those who are desperate to leave, because of the absence of a plan to deal with issues that should have been considered in advance.

Callum McCaig (Aberdeen South) (SNP): The leaders of the Brexit campaign are conspicuous by their absence from this Chamber, which is perhaps not a surprise, given the embarrassment they face. One of those leading voices—the Minister of State for Energy—said the volatility we are seeing is not unusual. Does it not just underline the complete economic illiteracy of their case that they think these unprecedented changes are not unusual?

Stewart Hosie: If the pound falls by twice as much as its record fall ever, I suppose that no one sensible should describe that as minor, normal or run of the mill. My hon. Friend is absolutely right.

With regard to the indices, it is true, as I said, that the FTSE 100 has pretty much bounced back to its pre-referendum level, as of earlier today. The FTSE 250 is not yet back to the position it was in on Monday 27 June. The pound versus dollar is unchanged since its collapse and is bouncing along the bottom. The pound versus the euro is unchanged since the fall and is bouncing along the bottom. The real concern—

Kit Malthouse rose—

Stewart Hosie: No, no.

The real concern is that this uncertainty will last for a very long time, not least because of the preposterous decision by those advocating Brexit not even to try to invoke the article 50 negotiations immediately—not so much a man without a plan as a campaign without a clue.

Kit Malthouse rose—

Stewart Hosie: No, I am not going to give way.

We do know, though, that many of the underlying problems are deep rooted and long term. One of the arguments posited by the out campaign was that money currently going to the EU could be spent here at home. We do not need to leave the EU to reverse the decision to convert innovation funding from grants to loans in order to support new product development. We do not need to leave the EU to reverse the decision to allocate funds to the regions in order to support new product development. We do not need to leave the EU to abandon an economic plan to cut £40 billion more than is necessary to run a balanced current account. We do not need to end our membership of the EU to do these things; we do need an end to austerity.

The other argument that the Brexit campaigners posited was that we need to “take back control”, in their words, in order to achieve improvements in all the economic metrics. The problem with that is that countries within the EU are doing better on every single measure. Malta and the Czech Republic have lower unemployment. Denmark, Sweden and the Netherlands have higher employment. Ireland has higher GDP growth. Estonia and Bulgaria have lower debt-to-GDP ratios. In terms of the key issue of productivity—

Seema Kennedy (South Ribble) (Con): Will the hon. Gentleman give way?

Stewart Hosie: No, I am coming to an end.

Productivity, as against the UK, is higher in the entire euro area. It is higher in Austria, Sweden, Denmark, Germany, France, the Netherlands, and Ireland. All the things that we want to see done can be done within the EU: that is self-evidently the case.
This is a Brexit campaign without a plan, leading to the chaos we are seeing now and potential difficulties in the economy for many, many years to come. Of course we need to get on, one way or another, to resolve this, fix it, and work with the hand we have been dealt. However, if we are expected to respect the decision taken across the whole of the UK, we would expect the same respect for the decision taken by the people of Scotland to stay in the EU.

Several hon. Members rose—

Madam Deputy Speaker (Natascha Engel): Order. If we stick to about 10 minutes each, I will not have to impose a speech limit. If we can go with that, then I think we can get everybody in.

4.3 pm

James Cartlidge (South Suffolk) (Con): It is a great privilege to speak in this debate, which I very much welcome, because it is what we should be doing. There is a lot of excitement out in the rest of the estate at the moment, but following this enormous decision, with all its consequences, we should be sitting here as a packed Parliament discussing the huge impact. I very much welcome the shadow Chancellor’s point about the need for a cross-party approach, because this is potentially bigger than any party or any leader, no matter how charismatic or experienced they may be.

George Kerevan: Perhaps the hon. Gentleman could explain why this is an Opposition day debate and the Government did not call a debate on the economy after Brexit.

James Cartlidge: I am not an expert on “Erskine May”, but I understand that this slot was allocated for an Opposition day debate—[Interruption]—and there was a statement on the European summit.

I campaigned passionately for a remain vote, and I argued positively. I always set out what I thought was the positive case, but I have to say that in my view the negative case was made too often. We created a “cry wolf” situation: if we warn about some things too often, people eventually ignore us even when we are right. We must be honest and say that some of those predictions are coming true.

I believe that the country can come through this, come together and be stronger eventually, but if we are to do so, we initially have to recognise what we have lost and the strength that we have given up. The best way to look at this is to think of a very good Gwyneth Paltrow film—I do not know whether you have seen it, Madam Deputy Speaker—called “Sliding Doors”. We know what has happened: we have had the resignation of a great one nation Conservative Prime Minister; we once again, having reopened Pandora’s box, have the issue of Scotland; we undoubtedly, whatever the indices are showing, have turbulence in the financial markets; and we have profound uncertainty. The very best we can say is that we have a crisis of uncertainty. We hope that that will not be manifested as real pain in the economy, but it is quite obvious that there is a genuine risk of that and we must deal with it. As I said when I intervened on the shadow Chancellor, Fitch has issued a very serious warning of a 5% reduction in investment this year. The biggest threat is what might happen to inward investment. We must remember the current account deficit issue and the fact that the country is completely dependent on inward investment. If the big foreign firms look at this country less positively, we will pay a high price.

I mention “Sliding Doors” because if we had boarded the other tube train going to “Remainia” in the referendum—oh, how I wish that had been the case—

Stephen Gethins (North East Fife) (SNP): It’s the way he tells them.

James Cartlidge: The hon. Gentleman has a fantastic sense of humour himself, as does his party.

If we had boarded that tube train and gone down that route, our Prime Minister would have been in post for years to come, and our stock market, our economic confidence and our currency would have strengthened. We would not have put permanently to bed but would have very strongly put to one side the two big constitutional issues of Europe and Scotland that have bedevilled our politics for so long. Instead, we have instability again.

We have to recognise that if we had remained, we would have had a very strong position, rather than all this uncertainty and weakness. For me, whatever arrangements are negotiated for the future, they must compensate for that and restore the strengths and assets that we had, not least the fact that Britain has historically been seen as a beacon of trust. It has been seen as a country into which people would put their life savings, and there is a profound sense around the world that we have respect for the rule of law, and that we are stable, sound and all the rest of it. At the moment, one could forgive the world for thinking that that was not the case, as certainly seems to be true in other European countries.

How do we restore those strengths? First and foremost, when we enter into negotiations, we have to decide on the principles—just as with a Bill, we have a Second Reading debate about its principles—and we need to decide on the principles of the negotiations we will have with our European partners and on the fundamentals about how we go forwards. I want to focus on three key points.

The first point is openness, to which I referred earlier. To me, one of the most extraordinary comments during the referendum was when, after concerns were raised about steel, a key figure in the leave campaign said that if we left the EU, we could unilaterally impose tariffs on Chinese steel. There may be a strong case for doing so, but that betrayed the fact that when the argument becomes nationalistic, particularly economically nationalistic, there is inevitably a threat of protectionism. We have heard many times about how Britain would negotiate good trade arrangements, and about how, since we have deficits with the EU, its members will want to trade with us—after all, look at how many cars we buy from them. Implicitly, the point was therefore that if they did not want to trade with us, we would consider protectionism.

Kit Malthouse: I realise that my hon. Friend and I were on different sides of the argument, but does he recognise that the EU is a protectionist bloc? The EU is a common tariff area whose members collectively impose significant tariffs on other parts of the world, some of which are impoverished third world nations.
James Cartlidge: I accept my hon. Friend’s point, but the EU as a whole is a tariff-free market of half a billion people, and it is a massive asset for our economy to be part of that. In my opinion we need to remain in the single market at all costs. The principle of openness is important, but this is also about the message we send. We have all agreed that there is a threat to inward investment—this is an existential threat to our economy—and it is important to send to the world the message not just that we are open for business, but that we will be open with the principles of our economy and not resort to protectionism.

Secondly, any negotiation on our new arrangements must take place in a tone and manner of goodwill. We must seek an arrangement that is not just in our interest but in those of a strong European Union, and that is fundamental. Whoever undertakes those negotiations with our European partners must be someone who is trusted to want something that works for both parties—I worry about people going to negotiate with a body that they have spent many months heavily criticising.

My third point is about fiscal policy. Whatever we do, if we want to maintain a sense that we are sound, and win back the sense that we are a stable country in the world, we must continue with a fiscally prudent regime. We must continue to take tough decisions, and commit to balancing the books and reaching a surplus. The message that that would send will inspire confidence in our investors and help to restore the stability we all seek.

Dr Julian Lewis: Does my hon. Friend agree that an important start has been made on building up that mutual trust by the candour and openness with which the Prime Minister and Chancellor accepted the verdict of the people, even though it went against their own strongly held beliefs? We must carry that forward by ensuring that we observe the spirit, as well as the letter, of the people’s decision.

James Cartlidge: I agree with my hon. Friend, and I was coming on to speak about why this decision came about. While we must accept the decision of the people, we must also understand and be honest about the prospectus on which we believe they voted. A few days ago my hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson), the former Mayor of London, of whom I am—of course—a huge fan, wrote:

“It is said that those who voted Leave were mainly driven by anxieties about immigration. I do not believe that is so.”

However, the huge turnout that we saw in working-class areas of this country, council estates and so on, was not due to people saying, “We didn’t get a say on the Lisbon treaty”; it was because of immigration, which was pushed in an inflammatory way throughout the debate. If anyone wants proof of that, I can bring the tweets and emails that I have received, some of which were shocking and horrific—indeed, some were too shocking to read out in the House in the way that some of my hon. Friends have done.

We must accept that the campaign was driven by concerns about immigration. That makes things difficult for us, because when we negotiate we must find a way of preserving all the economic strengths to which I referred while controlling immigration from the European Union. If we boil down the explicit underlying nature of the prospectus from vote leave, it was the end of unskilled immigration from the EU. We heard that there will be skilled migration, but at the moment tier 3 is closed and unskilled workers cannot come to this country from outside the EU. Finding that balance will be incredibly difficult, but it is possible if we have good faith and show goodwill towards those with whom we negotiate.

4.14 pm

Liam Byrne (Birmingham, Hodge Hill) (Lab): I welcome today’s debate and the tone that we have heard this afternoon. After what has been all too often a foul-mouthed debate over the past couple of months, the tone of constructive engagement and working together is very important. It is down to the leaders in this House to put the decency back into our democracy and, like many others, I was shocked to hear the statements, tweets, messages and incidents that hon. Members read out during our proceedings on the statement earlier today. We just cannot have that in this country; we are not going to have that in this country. It is a responsibility on all our shoulders to ensure that in the communities we serve we stamp it out, and we stamp it out fast.

Part of a decent democracy is that people honour their promises. Let us be honest that we have already seen promises that were made in the campaign being broken into shreds, tatters and little pieces. It is a job for all of us to hold to account the leaders of the leave campaign who made promises that now appear not to be honoured. We need to hang those promises around their necks in the months ahead because, frankly, our democracy cannot withstand too many more broken promises. The guilty men and women who made those promises must be held to account in this House.

I wanted to speak in the debate because I want to say that we need to honour the people’s decision. They have given us a stark lesson. We know how to globalise, but we do not know how to make globalisation work for the majority of voters. What I think most voters told us in the referendum is that we have become a world of very rich elites and very remote elites. People have had enough of it; they want a different settlement.

We need to move with speed in this House to set out the principles for a new special relationship with our closest neighbours. The sooner we agree those principles across the House, the better. I am glad the Chancellor set out a couple of principles, but I hope that he agrees, and that when the Chief Secretary to the Treasury winds up the debate he will agree, that we ought to have been better prepared. We were told yesterday by the Prime Minister that there is a new EU unit, yet somehow the Government have forgotten to include the Home Office in it, as if somehow immigration was not an important feature of this debate. Quite frankly, that beggars belief.

We are blessed in this House with the European Scrutiny Committee, which does a good job. It is charged with scrutinising individual instruments of EU legislation that come before us. It is, of course, chaired by that neutral and commanding figure the hon. Member for Stone (Sir William Cash). However, it is not equipped to look at the big picture nor to look at the principles that we need to agree. I therefore hope the Prime Minister will take seriously the call from Opposition Members for a new Joint Committee of both Houses to try to get to the bottom of the 6,500 instruments we might need to incorporate into UK domestic law, give or take those aspects we do not like.
Parliamentary sovereignty has just been voted on, but Parliament cannot be sovereign if Parliament is blind. We need to ensure that we are equipped in this House with a method of coming to agreement and making sure that the right plan for a new relationship is on the table.

Stephen Gethins: On the question of democracy and sovereignty, does the right hon. Gentleman agree that the Government, in terms of setting out their timetable for Brexit, should also set out a timetable for scrapping the House of Lords so that we do not have any more unelected bureaucrats deciding day-to-day business?

Liam Byrne: I am grateful to the hon. Gentleman for that intervention. I am on his side when it comes to the House of Lords. This Government’s idea of democracy is to bring forward proposals to cut the number of people in this House while increasing the number in the other place. I think by more than 200 at the last count. It makes one wonder what they are scared of when it comes to democratic decisions.

I want to touch very briefly on some of the principles that have to define the new special relationship with Europe, and we have to start with national security. Since we put in place co-operation on justice and home affairs, we have made important progress. We have good ideas, such as the European arrest warrant, and we have concerted action on sharing information relating to crime, terrorism and watch lists. Terrorists do not respect international borders and nor must the fight against terrorism. It is therefore essential that we agree to collaborate and co-operate to the maximum possible extent with our neighbours when it comes to the fight against crime and the fight against terror.

Secondly, it is clear from this vote—the hon. Member for South Suffolk (James Cartlidge) made this point well—that we will have to update the principle of free movement and replace it with a new principle of fair movement. I was the Minister for Borders and Immigration who introduced the points system for non-EU immigration into this country. During the French presidency, it became clear to me that there was an appetite across Europe for reforming the free movement directive. I said at the time that it would be a long struggle to get such reform, but the sooner we started, the sooner we would finish. Surely we now have to take that lesson and begin putting on the table serious proposals for the reform of free movement.

There are a million and one choices to make. We have to start by honouring the rights of those who are already here. We cannot retrospectively tamper with the rights of people who have already made the life-changing decision to move home. There are then questions about restrictions on low skill or high skill, how long visas should last, whether visa rights should lead to rights of settlement and citizenship, and what access to benefits should be enjoyed for taxes paid in. Of course, there is the huge question of how, as part of a new agreement on fair movement, this country steps up to its international obligations to help refugees struggling due to war in the middle east. We should be doing far more to help Europe with the burden of giving safe haven to refugees fleeing war zones and make that part and parcel of our proposals for fair movement.

Within all that, we have to be careful that we do not damage the free movement of ideas, which is why I always argue that students and scientists should be exempt. Alongside that, we must ensure that co-operation on ideas, intellectual capital and intellectual property protection are part of the new arrangements.

Thirdly, we must ensure that there is no race to the bottom on workers’ rights and human rights. It was this country, and one of our greatest Prime Ministers, that helped to found the Council of Europe. Over the decades that followed, we were among the most important authors of the European convention on human rights, and we are the proud co-authors of the European Court of Human Rights. We must ensure that there is no race to the bottom on workers’ rights, and that we do not enjoy second-class human rights in this country.

Fourthly, we obviously have to try to maximise free trade, free movement of goods and free movement of capital throughout the single market. We will need to be honest that we will pay a price for introducing restrictions on migration. We need to think carefully about what price we are prepared to pay. That is why I believe we need to introduce the minimal possible restrictions on free movement and the fewest fetters possible.

When it comes to the free movement of trade and of capital, we must ensure that our rights to tax revenue are protected. We have made progress over the past few years in ensuring that multinationals pay their fair share of tax, but heaven knows we have an awful long way to go. We know that hundreds of billions are sheltered by European companies in tax havens. We have to deepen collaboration and co-operation with Europe to ensure that people pay their fair share.

Finally, we need a big debate about sharing the burdens of our neighbourhood. Good neighbours do not shirk their duties, whether on climate change or common border protection. There will be countless other burdens regarding which Britain has to step up and say, “Yes. We are going to take on the obligations that come with sharing this part of the world.” The Prime Minister was right to say that we will not turn our back on Europe. We have to send a very clear signal that we will be not just good neighbours, but the best of neighbours.

In the debates that come, there will be an iron relationship between reform of free movement, access to the single market and the integrity of the United Kingdom. If we are to maximise the integrity of the UK and to keep our trade balance good, we have to keep changes to free movement to an absolute minimum. It would be an error to slam the door to this country closed and lose our place in the world as a great trading nation, which would inevitably lead to the unravelling of the United Kingdom.

We need great British moderation now more than ever. We must have no more pie in the sky from politicians with no intention of honouring their promises, which is why I hope this place continues to lead such debates.

Kevin Hollinrake (Thirsk and Malton) (Con): It is a pleasure to follow the right hon. Member for Birmingham, Hodge Hill (Liam Byrne), who made some fine points. I particularly liked the phrase he coined about moving from free movement to fair movement.
There is a time and a place to take a risk. I started my business in 1992. Many in the House will remember that year and, in particular, 16 September 1992. Unemployment was at 3 million; repossessions were running at 72,000—three times the normal average; and, on that single day, interest rates went from 10% to 12% to 15%. As the House will remember, the day after, we pulled out of something called the exchange rate mechanism, and that was the right thing to do. Many economists said it was the wrong thing to do—they said it was a big risk—but things could hardly have got worse, so it was absolutely the right thing to do.

Look at where we are today: we have one of the fastest-growing economies in the developed world and virtually full employment, meaning that all our young people and our older people can get a job. We had a saying in our business: hope is not a strategy. There was so little strategy from the Vote Leave campaign going beyond our exit from the EU, which was why most business organisations—the Institute of Directors, the CBI, the manufacturers’ federations, TheCityUK—said it was the wrong thing to do. Every leading economist—and even some not-very-leading economists—said it was the wrong thing to do. Of course this was seen as some kind of conspiracy.

It was not just business talking like that but the music industry, the science industry, our research organisations, our technology industry and so on. A report by the House of Lords called leaving the EU a huge risk because of the complexity of withdrawal. It will take at least two years from our giving notice under article 50, but it will take many more years to unwind all the connected legislation. A report in The Times last week said it would take 10 Queen’s Speeches to unwind the legislation. That breeds the uncertainty that businesses do not like.

This is also about trade deals, and not just about trading today with Europe but about opening new trade markets around the world. As the Chancellor said, that is a great opportunity, but businesses cannot simply move their supply and customer bases from one location to another overnight—yet that is what they are being asked to do.

James Cartlidge: Is not much of our trade with the rest of the world done through large international companies that locate in the UK because we are in the single market?

Kevin Hollinrake: My hon. Friend is absolutely right. A good example are the Swiss banks. Despite Switzerland’s being part of the European economic area, it cannot trade directly with the EU, so it has to base subsidiaries within the EU. Happily, firms such as Credit Suisse and UBS put them in London, as do US banks such as Goldman Sachs, J.P. Morgan and the like. That is why the head of TheCityUK said that the move could cost up to 100,000 jobs in the City of London. Yet this was never dealt with or answered by the Vote Leave campaign.

[ Interrupted. ] My hon. Friend the Member for North West Hampshire (Kit Malthouse) shakes his head. The risks are huge, yet the issue has not been properly dealt with.

The impact on car manufacturers has not been properly dealt with either. This is not simply about our opening new trade markets around the world; it is about a supply chain that is deeply embedded throughout Europe. A typical drive shaft for a family saloon car is manufactured in six different countries across Europe. What are car manufacturers to do if tariffs are applied between us and the EU? Just last evening, I was talking to a multinational retailer who had 3,000 members of staff but was moving to new premises with 5,000 members of staff. These people move from London to Frankfurt to Paris just as we would move from north Yorkshire to London, but they face the prospect of not being able to do that. How have we made this decision without talking about these issues and answering these questions?

There is an even bigger issue. Looking at the European Union in such a sensitive stage, I view it as a house of cards, and if the UK pulls our card from the bottom, there is a significant risk that the whole house will implode. A domestic economic risk then moves towards becoming an international and global economic risk, along with a political risk and a security risk. This country’s economy and our prospects for national security could be hugely affected.

We should recall that only a few years ago many European member states were totalitarian states behind the iron curtain, yet they are today free and fair democracies with the rule of law and freedom of the press. The European Union has presided over those member states, making sure that they are focused on prosperity and trade, rather than looking backwards or, even worse, eastwards towards Russia.

All these issues are in play, and there are many positive reasons for remaining part of the European Union. It is about the opportunity to live, work and study right across the continent; it is about peace and prosperity; and it is about tackling some of our huge challenges and economic risks—issues such as climate change, air pollution, drug resistance and tax evasion.

Of course, free movement of people and immigration are the biggest issues that need to be dealt with. I quite understand the public concern about those issues, and I believe that this was not a referendum on the European Union, but on immigration. I understand that we need to deal with it and now we have an opportunity to do so. As the right hon. Member for Birmingham, Hodge Hill and my hon. Friend the Member for South Suffolk (James Cartlidge) said, we need to deal with it in a proportionate way, and to look at the many different solutions to the problem, working together with our European neighbours.

Above all, we must have free and unfettered access to the single market, because the economic consequences of not having it are impossible—too severe—to contemplate. All the way through the referendum campaign, I wanted to remain and reform, but that option is no longer available. What we must now do is to work together with our European counterparts to make sure that we get reform. We must work collaboratively with our European partners to make sure that we have a fair economic settlement that works for both the European Union and for the United Kingdom.

4.32 pm

Wes Streeting (Ilford North) (Lab): I was going to say that it is a pleasure to speak in this afternoon’s debate, but that is not really how it feels. I am not the baby of the House, but I am among its younger Members, and for the 33 years in which I have been alive I have grown
up in a country that is part of the European Union. Part of its character is a confident, open, outward-looking nation that looks to the world with optimism, confidence and strength.

Although I respect the result and the verdict of the voters last week, I cannot disguise my bitter disappointment with the result. It has put this country on a fundamentally different course for this century from the one we were previously on. We have already seen the economic impact of that decision, and we have seen some of the political repercussions of it, too. Probably more worrying than anything else about last week’s result is the sense that our political leaders have yet to find adequate answers to the questions that have been thrown up by the leave vote.

I represent an outer London constituency on the Essex border, and many of the people I represent travel in on the Central line to work in the City of London, and many of them will be worried about the future of their jobs. We have already seen the announcement of thousands of jobs potentially moving abroad into the eurozone, and we hear rumblings about other jobs set to go elsewhere. Communities, including those that voted overwhelmingly to leave, are seeing the consequences of their decisions, with a loss of the inward investment that delivers jobs—whether it be investment in car manufacturing in the north-east or investment to bail out the steel industry in Neath Port Talbot.

Without feeling too bitter about the result or finger-wagging at people who have reached different conclusions, I cannot but say—and am deeply sorry to say—to those who attacked Stronger In and its advocates for prosecuting “Project Fear”, especially those in the House and in the officially designated Leave campaign, that it looks increasingly likely that it was “Project Fact”, whether we are talking about instability in the currency or the markets, or about decisions that have already been made in the space of a few days that will relocate jobs, change people’s lives, and affect communities for the worse.

As far as I am concerned, the Conservative leadership contest cannot come soon enough. I relish the prospect of seeing the hon. Member for Uxbridge and South Ruislip (Boris Johnson) at the Dispatch Box, because I want him—along with his right hon. Friend the Member for Surrey Heath (Michael Gove) and other Conservative Members who prosecuted those arguments—to live up to the promises that were made. I want them to live up to the promise of £350 million for the national health service, the promises about immigration, and every other promise that they made to the British people, which, in good faith, those people believed when they voted leave. This place must deliver accountability if we are to place any trust or any faith in politics.

When those Members assume the reins of power—and some of them are already in that position—they should expect Labour and, I suspect, Conservative Members to hold them to account for the promises that they made. If I had been a leave voter and I found that my job was at risk, or that immigration had not changed substantially in the way I had been promised, or that there was not £350 million for the NHS or anything remotely like it, I would feel very betrayed and let down—and so many of those who are members of my generation or younger do feel let down, because they will bear the consequences of this decision for longer than anyone else.

I cannot recall any other issue on which there has been such an overwhelming economic consensus, among this country’s leading economists and economists around the world, that in the long term this country will not be as well off as it might have been: not poorer than it is today, perhaps, but certainly not as well off as it might have been. Why should we be concerned about that? If our country is not as well off as it might have been, in communities like the one in which I grew up—in communities like my council estate in the London borough of Tower Hamlets, and other working-class communities throughout the country—it will not be the wealthiest who feel the impact in their pockets, but the poorest.

When businesses do not have as much custom, as much trade or as much inward investment from around the world, it will not be the mighty global players that are affected; they will simply take their business elsewhere. It will be the small and medium-sized enterprises. It will be the hard-working people who take the risk, who take the plunge and set up a business, who work their fingers to the bone, day in day out, to turn a profit and provide a home and an income for their families. Those are the people who will pay the price of this decision. So forgive me, Madam Deputy Speaker, if I feel somewhat angry about that.

Jeremy Quin (Horsham) (Con): I congratulate the hon. Gentleman on his powerful and effective contribution to the debate. I also congratulate him on what he said about airport expansion during the Chancellor’s speech. Whatever our future constitutional position, we shall need to make whatever decisions we can to get the country moving, to show that we have momentum, and to encourage inward investors back into the UK.

Wes Streeting: I am grateful for that intervention. In the short time during which I have been in the House, I have been appalled by the extent to which party-political self-interest has slammed the brakes on vital infrastructure decisions to secure the future economic wellbeing of our nation, or even our national security. The Government should allow votes on airport expansion, on our continuous at-sea nuclear deterrent, and on other major, vital infrastructure projects to keep our country safe and prosperous. We cannot continue to allow such crucial decisions to be sacrificed on the altar of party-political management, not least when the attempts that are made appear to be futile.

We are not just seeing a fundamental change in the role of Britain in the EU; I think that we may be looking at the break-up of the United Kingdom. I am thinking not just about Scotland, but about the huge achievement that was made in Northern Ireland, from the Downing Street declaration under John Major to the Good Friday agreement under Tony Blair. The Northern Irish peace process itself could be put at risk because of the way in which this debate has been handled. It is troubling that, days after the referendum, there are still no answers to some of the critical questions that have been asked about how we are to move forward as a country.

James Cartlidge: The hon. Gentleman is making a fantastic speech and I agree with the sentiments that he has expressed. Is it not the case that, in the best case scenario, it is inevitable that a huge amount of Government
energy and time will be diverted to legal wrangling and other issues? We should be focusing on the huge issues that the country faces.

**Wes Streeting:** I wholeheartedly agree. I came to this House not to spend hours and hours scrutinising changes to the law to protect the rights we already have as members and citizens of the EU, but to advance new ones and to fight for my schools, my hospitals and my public services and to improve the life chances of people in my constituency. I did not come to this House to take part in a grand constitutional convention tinkering at the edges to maintain the status quo, rather than advancing the interests of our nation.

**Stephen Pound** (Ealing North) (Lab): I am almost reluctant to interrupt my hon. Friend’s flow, which is magnificent, but he mentioned the Northern Irish peace process. May I ask him to comment on the fact that the EU was one of the key components of the Good Friday agreement, just as we worked with Washington and with Dublin? The EU and peace 1, peace 2 and peace 3 are essential components of the architecture of the peace process. The possibility of customs posts from Derry to Dundalk is not some fanciful nonsense; it is a reality. Is he aware of the negative impact that this is having on the people of Northern Ireland?

**Wes Streeting:** My hon. Friend has a great deal of expertise in this area and we take seriously his warnings. I would feel less aggrieved by what he says if it were not for the fact that in the run-up to the referendum these very questions were put to the Secretary of State for Northern Ireland. We were told, “Don’t worry”—which seemed to be the blank cheque; it was said with every promise of the leave campaign—and now we find that we should very much worry.

We should also worry about the reason people voted to leave the EU. Much of it was not about the Lisbon treaty or where decisions are taken. Many people, even with this British Parliament as sovereign as it is today—and as sovereign as it was last week by the way—still do not feel that they have control over their lives and their destiny. I would hazard a guess that when the analysis is done we will be able to map community by community those places that voted leave and those places that have had the hardest time because of the unequal nature of our economy. That should worry us more than anything else. Many people voted leave out of desperation, in the vague hope, in the belief that their circumstances could not be worse than they are today and that our immigration system and the flow of people into this country make them and our economy less well off, rather than better off. That concerns me deeply.

**Ruth Smeeth** (Stoke-on-Trent North) (Lab): I represent one of the areas that overwhelmingly voted out. Thirty-six per cent. of my constituents earn the living wage and believe that this decision will increase their salaries, yet one of the areas that overwhelmingly voted out. Thirty-six per cent. of my constituents earn the living wage and believe that this decision will increase their salaries, yet 7,000 of my constituents are employed in an industry that is already looking to see what happens next, is unstable and is stopping investment. Does my hon. Friend agree that we have to get strong answers from the Government to protect future investment?

**Wes Streeting:** We do need those strong answers. We also need to accept that it is not just about our economy as it is today; it is about our economy as it will be defined in the future. This country now faces choices about the structure of our economy and about how to compete in a globalised world. With respect to Members on the Government Benches, it is my belief that there is a risk, under not just the current Government but the next Prime Minister, that the future will be about a race to the bottom, further casualisation of labour—a race to the bottom in terms of wages and terms and conditions—because outside the protection of the single market that is the only way for this country to profit in the way those at the top of society want. That makes me even more worried for our country’s future. That is why we desperately need a change in Government.

More than 100 years ago, working people, socialist societies, friendly societies and trade unions came together to form the Labour party because they knew that the way to improve the lives of working people and their conditions was not by marching through the streets demanding change but by marching through the corridors of power and delivering that. The Labour party has a great history, whether it is the creation of the national health service, homes fit for heroes, the white heat of technology, the creation of the Open University, the introduction of the national minimum wage, or the improvements in education standards that let this council estate boy from Tower Hamlets make it to university and to this place. Successive Labour Governments are the only vehicle for delivering progressive change in this country.

I urge Members of my party to think very carefully about whether we prefer the futility of opposition to the ability to change people’s lives through power. The pursuit of power is not about our careers; it is about the life chances and opportunities of the people the Labour party came into being to represent—and if they do not have confidence in the Labour party and its leadership to be that change, we consign this country to decades of Conservative Government, just as we did before when I was growing up in the 1980s. That should hang heavily on the consciences of the skeleton Front Bench of this party, because until we start providing effective opposition now, that lot will get away with it. That is why we should remember above all else that the Labour party is a cause, not a personality cult, and it is time some people put the interests of the people the Labour party was founded to represent at the forefront of their judgments about their futures and do the right thing so we can get on with taking that lot apart and delivering a Labour Government.

4.45 pm

**Huw Merriman** (Bexhill and Battle) (Con): It is a pleasure to follow the powerful and eloquent speech of the hon. Member for Ilford North (Wes Streeting); I feel somewhat like a dull bank manager following on from his act.

Perhaps unusually, may I welcome not just the subject of the motion, but also the wording of it? I congratulate those on the Opposition Front Bench on bringing this motion forward today.

I must confess that the decision made by the voters of the UK to leave the European Union came as both a surprise and a shock to me. I spent my time holding
debates across my Bexhill and Battle constituency so that constituents could hear both sides of the argument and then come to their own conclusion. I never sought to influence their votes one way or the other. This position of balance also permitted me to speak to 25 schools—both secondary and primary—over the last week of the referendum campaign. It troubled me greatly that young children whose parents were originally from the EU were asking if their parents would have to leave the UK or whether Britain would go to war if we left. At least it gave me the opportunity, with balance, to do my best to reassure them.

I would contend that the campaign themes and sometimes extreme scenarios that were being asserted were causing these concerns to be raised and it is little wonder to me that some votes appear to have been irrationally cast. Had the remain side recognised, perhaps in more balanced tones, that there were positive reasons for the UK to leave the EU but even more positive reasons to remain, I wonder whether the UK population would have so readily lined up to give the establishment opinion-makers the thumbs-down.

All this is for historians to deal with in due course. We are where we are and it is my belief that we in this place have to lead from the front and get the best deal for the UK in order to preserve the rights that our population has enjoyed from the EU while delivering the semblance of democratic control which the public have demanded of us through this result.

While I have concerns about the economic implications in the short term, I believe that, with the right civil service negotiation team in place, we can get a good deal for the UK to preserve the rights that our population has enjoyed from the EU while delivering the semblance of democratic control which the public have demanded of us through this result.

My rationale for this is borne of my experience working at Lehman Brothers over a 15-year period, for seven years with the small team that was unwinding what became the world’s largest bankruptcy. I was running a legal department the day Lehman Brothers went bankrupt. During the speech of the hon. Member for Ilford North, there was a time when I wanted to come over and give him a cuddle, because there was great fear in 2008 just like the fear for his generation that he was describing. There is great fear right now, but I remember that fear back in 2008, from a personal perspective because I had my mortgage on that institution, and my friends and colleagues for many years worked for it. Despite what people say about investment banks, they include not only bankers, but cleaners, secretaries, and people who do not earn a great wage, and they lost not only their job, but their sense of pride and security in that institution.

**Wes Streeting:** The hon. Gentleman is right to mention the support staff and cleaners who make those businesses function, but it is also worth mentioning the fact that, although the people who work in financial services have been guilty of all sorts over the years, including bringing our economy almost to its knees, the financial services sector still generates enormous investment in this country and creates jobs. It would be foolish to allow that great industry to go by the wayside, given all the benefits that it brings and the tax receipts that we invest in public services. We should not let those people off the hook, but we should never pretend that financial services are not an asset to this country.

**Huw Merriman:** I absolutely agree with the hon. Gentleman. There were some who really needed more punishment than they got, while others took a huge amount of punishment, but those services are still a great exporter for UK plc.

The events on that day in 2008 were an enormous shock, and I remember them well. I worked with a guy from another bank—the largest international and commercial bank—who was in control of its legal department. He said he had spent that weekend dealing with Lehman Brothers as it fell over. He then spent the following week dealing with one of the other largest banks as it fell over. The week after that, his own bank fell over as well. Back then, those of us who were there remember feeling that money was just not safe in any financial institution at all. People might be fearful right now, but I ask Members to cast their minds back to 2008 when things felt even more uncertain.

I also ask the House to recognise that, in the past six years, the economy in this country has got better. We have recovered. Who would have thought we would reach a position in which 2 million new jobs could be created? Perhaps the decision on the European Union has been such a great shock because we have once again got used to a form of stability.

**Bob Stewart** (Beckenham) (Con): Is my hon. Friend going to mention the fact that the markets are bouncing back as we speak?

**Huw Merriman:** I am not—not least because the point has just been made for me—but I am well aware of that fact, and it is one of the reasons that I am feeling positive. My point is that, at the time, people feel terrible but history judges that things might not have been quite as bad as they feared. I certainly take my hon. Friend’s point.

The bankruptcy of Lehman Brothers certainly brought out the worst emotions in people, as well as some of the better ones. I can recall three stages of behaviour. There were those who lost their heads, those who wielded the knife and those who put their heads down and tried to work through the chaos.

**Jeremy Quin** rose—

**Huw Merriman:** I will give way to my hon. Friend, because I know that he had similar experiences at that time.

**Jeremy Quin:** I did indeed. I worked in Her Majesty’s Treasury for the then Government, who are now the Opposition.

**Roger Mullin** (Kirkcaldy and Cowdenbeath) (SNP): That was your fault.
Jeremy Quin: I can assure the hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin) that I arrived here to help after the events in question. My hon. Friend the Member for Beckenham (Bob Stewart) mentioned the fact that the markets have bounced back, and it is good that they have done so, but we should all be aware that they will be volatile and they will fluctuate. They will go up and down, but what matters is the long-term momentum in our economy and particularly our ability to attract ongoing inward investment. Our minds must soon turn to how we can ensure that that tap has not been turned off, either through infrastructure minds must soon turn to how we can ensure that that our ability to attract ongoing inward investment. Our long-term momentum in our economy and particularly be aware that they will be volatile and they will fluctuate. and it is good that they have done so, but we should all mentioned the fact that the markets have bounced back, and it is good that they have done so, but we should all friends understand the problem and how we frame it is different from the way that people in other parts of the Chamber see it. In my view, the sovereign people whom I respect and on whose behalf I must act are the people of Scotland. I believe in a great continental principle of popular sovereignty. I do not believe in the principle of parliamentary sovereignty. That is why I am particularly concerned that my colleagues and I reflect on what is in the interests of Scotland at this time.

The hon. Member for Thirsk and Malton (Kevin Hollinrake) who is leaving— [Interruption.] He was leaving until I mentioned him. He made some of the best points in this debate thus far about the lack of a plan. Even Baldrick had a plan.

Huw Merriman: My hon. Friend has great experience in these matters and I agree with everything he has just said. I shall now press on because I am conscious of the time. I was talking about the three emotional states that I came across during the events of 2008, and the best of those was demonstrated by those who put their heads down and tried to work through the chaos. Being a believer in such action, I stayed on with the Lehman Brothers estate for seven years to manage the team of lawyers that was dealing with the claims, worth tens of billions, that were made against the estate as well as those that the estate made against other trading entities. For 18 months, I led a team dealing with a multibillion-pound case against a large international bank that had locked up our custodial assets to use against its own claim. Rather than litigate across the globe, we negotiated with the bank and ended up settling to both parties’ satisfaction, drawing up a new trading agreement to continue future business. I hope that that is a metaphor for what can be achieved with our European partners. As a result of that success, Lehman Brothers claimants, who originally feared getting only 10p in the £1, will end up with nearer £1.50. It became such a sound and safe investment that we struggled to get claimants to take their money out because they wanted interest to continue to accrue.

I use that example because, at the time, the situation looked hopeless to staff and financial stakeholders alike, and I recognise that that is how much of our population sees the UK’s plight following the referendum. I hope that, over time and with the right team in place, a better outcome can be delivered for the UK. Only time will tell whether our economy will be stronger outside the European Union than inside, but what is in our hands is putting in place an experienced civil service team with the qualities to deliver for the UK and then giving them the time and space to come up with a strategy and allowing them to implement it. While we have discussed many of the trading principles that we would like to see in place, I urge the House to think more soberly about the type of people that we have to fight for them. From experience, I would say that that is as important as the cause itself.

That approach, with sufficient transparency in the process, is what will give the population the reassurance that they so badly need at this uncertain time. I look forward to calls from across the House saying that the House should work together and add all its experience and support to the process, so that we can support all the people in this country.

4.56 pm

Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP): I wish that we did not have to have this debate, because I wish that the majority had voted to stay within the European Union, but we are where we are. In the spirit of openness and transparency, it may be useful to set out that I well understand that the way in which I and my hon. Friends understand the problem and how we frame it is different from the way that people in other parts of the Chamber see it. In my view, the sovereign people whom I respect and on whose behalf I must act are the people of Scotland. I believe in a great continental principle of popular sovereignty. I do not believe in the principle of parliamentary sovereignty. That is why I am particularly concerned that my colleagues and I reflect on what is in the interests of Scotland at this time.

The hon. Member for Thirsk and Malton (Kevin Hollinrake) who is leaving— [Interruption.] He was leaving until I mentioned him. He made some of the best points in this debate thus far about the lack of a plan. Even Baldrick had a plan.

Jake Berry (Rossendale and Darwen) (Con): A cunning plan!

Roger Mullin: A cunning plan at that. However, it would seem that the leave side had no plan and that the Government were unfortunately unprepared for this eventuality. The Prime Minister indicated at Prime Minister’s questions that we are having to spend the next few months modelling the alternatives without specifying what different scenarios were being planned for. Whatever the scenario, we must get some clarity about what we are going to say about Scotland’s place within the European Union. The Government cannot assume that we will meekly follow and be dragged out of the European Union against the will of the Scottish people. It is not our job to be dragged along; it is our job to represent the interests of Scotland and the Scottish people, and that we will do to the best of our ability.

At Prime Minister’s questions before the vote, I raised the case of Thomas and Elke Westen, originally from Germany, who lived in my constituency. Thomas runs a small business in the service sector. Elke is a distinguished artist in glass. They came to Scotland some years ago, bought an old home and refurbished it beautifully, created jobs in the community, and contributed to the community in lots of voluntary ways. Days before the vote, they decided that they could not stand the way in which they were being portrayed as immigrants and that they would leave the country for the period of the vote. They said that if the vote was to leave, they would want to leave Scotland permanently. They are in France at the moment. I am still in contact with them, and I am trying to persuade them to come back. I am aware that they are not the only people who feel that they have been hurt tremendously by the nature of the debate and let down by the Government. It is all very well for the Government now to say that they are welcome here when they denied them the vote in this referendum. Part of the problem we have in reassuring people is the way they have been treated up to now both by the Government and by those advocating a leave vote.

Elke and Thomas were small business people. There has been lots of discussion today about large businesses,
Stephen Gethins: My hon. Friend makes an excellent point about the impact on EU nationals. May I remind him that it was not just vote leave campaigners who denied the vote to EU nationals and 16 and 17 year olds, but the Government who were backing remain?

Roger Mullin: Absolutely. I thank my hon. Friend for reminding me of that.

James Cartlidge: I was there in Committee when we debated votes at 16 and foreign nationals. I made the point on foreign nationals, and it is a fact that if they had been allowed the vote, which is not the case in general elections, they could have swung the result. Even though I regret the result, we cannot underestimate how inflammatory that would have been, especially as we were not using the franchise from a general election.

Roger Mullin: That is a rather sad argument to make. We allowed EU nationals a vote in the Scottish referendum. Thomas and Elke Westen are as much Scots as I am and they have as much right to express their feelings about the country in which they have chosen to live. It is similar to the case of my older brother and sister who had to emigrate because they could not get the opportunities to work in their own land, which has been a big problem for Scotland. The countries in which they have gone to live have welcomed them and allowed them the vote. Excluding these people helped to introduce an element of xenophobia into the way in which the referendum has been conducted. I have great regard for the hon. Gentleman, but on that particular point, I am afraid that I completely disagree with him.

There are problems for our small and medium-sized enterprises. In my own constituency—I would be interested to hear whether this is shared elsewhere—two types of SMEs have been talking to me. The first group includes those SMEs that export, and their concerns are primarily about access to markets. Earlier, the argument was made that it was good that a falling pound would allow exports to be a little more competitive. In all honesty, I have not heard a single business person making that claim. What I have heard is that the problem will be in assuring exporters that they have access to markets. Without access to markets, the exchange rate is rather immaterial.

The second type of SMEs has included not exporters but importers. They are particularly concerned about what is happening with the currency level, and what the cost will be of bringing in the types of continental products that we have been so used to benefiting from over the past 20 or 30 years. There are different perspectives on the problem in SMEs that reflect real concerns that we will have to manage in this new situation. The Government will not be able to wait two years until an exit takes place to deal with this matter. They will have to think urgently about the kind of initiative that can be brought in to assist those SMEs that are living in a period of great uncertainty. When they have a period of great uncertainty, what effect will it have on their decision-making? They will not be going to the banks and borrowing for investment at a time when they are uncertain about how they are going to construct their future. My fear is that over time that uncertainty will lead to less and less investment, not merely by the large corporations, but by many of the small businesses at the heart of our communities.

Another issue of concern is research funding and academia in society. Many people have said, “Don’t worry. The contracts that have already been struck will not be ended,” so our great universities are safe in that regard. However, the universities’ fundamental concern is for the future of European collaboration in research. How will that happen if we have exited the EU? Will British academics have the same access to other academics and to future research projects? That is highly unlikely unless we regain our place in the European Union. What of those students in Scotland and elsewhere who have benefited from travel to continental Europe and those who benefit from the great universities of France, Germany, Italy and elsewhere? What are their prospects? Future generations will be denied the opportunities that others have had over the past 30 years. That can only be a tragedy for our society.

Ian Blackford (Ross, Skye and Lochaber) (SNP): It is a pleasure to follow my hon. Friend the Member for Kirkcaldy and Cowdenbeath (Roger Mullin). It is always a fantastic honour to listen to the eloquence of one of my oldest friends in politics.

We have a responsibility to act in a way that does not talk down the economy, and collectively to support measures to create financial stability leading to sustainable economic growth. I commend the Bank of England for seeking to reassure the financial markets that it will, among other things, take the necessary measures to sustain liquidity. However, when the Prime Minister says in this House, as he did on Monday, that there has been an “adjustment” in the financial markets, his comments fly in the face of reality.

Over the past week, the pound has fallen by more than 10% against the US dollar. The FTSE 250, which is more representative of the UK economy than the FTSE 100, is down by 12% in a week. When we look behind these indices, we see the severity of the declines in a number of economically sensitive sectors. Look at the banks: RBS is down by 28%; Barclays is down by 27%; and Lloyds is down by 22% over the past week. The house builder Barratt Developments is down by 32% over the past week.

Those astonishing falls clearly represent a crisis of investor confidence in our economy and indicate that investors anticipate a significant shift on growth in the UK economy. Indeed, I note this afternoon that consensus expectations for GDP growth in the UK next year have fallen from 2.1% to 0.4%. This is no “adjustment”, as the Prime Minister called it; it is a significant shift in investor perception of UK plc, and it is driven by a failure of leadership by the Prime Minister and his Government.

Let us make no mistake: this is a crisis made in Westminster by Westminster, and it needs our full attention if we are to respond appropriately to the challenges we face. The challenge is brought home to us when we see that Moody’s has today changed its outlook on 12 UK banks and building societies, and downgraded its outlook on 52 UK sub-sovereigns from stable to negative.

The Chancellor talked of an emergency budget and additional austerity measures as a result of Brexit. It is the Government’s responsibility to deliver financial stability, not to kick the legs from under that stability and
threaten the jobs and livelihoods of our citizens, but that is precisely what this Government have done. These are no abstract matters—It might be better if the Front-Bench team paid some attention rather than talking to each other, because we are discussing the livelihoods of people in this country and it would be respectful to the House if Front Benchers listened to the debate.

The fall in the financial markets affects the pension funds of everyone investing in this country. The stock market adjusts to future expectations of profits and dividend growth, and that is what should concern us. Goldman Sachs has downgraded UK banks and cut its profit forecast for the sector by a whopping £10 billion. Just think about that—a Tory row over Europe leads to banking profits in the UK being decimated. Have the Prime Minister and his Government no shame about what they have caused? It is, as someone might say, another fine mess they have got us into.

When the Government come to this House and call for support to change the future payout to pensioners of the British Steel pension scheme, it is, in part, through a consideration of future prospects for asset growth in that pension scheme. Thousands of British Steel workers and pensioners face a very real threat to the value of their pensions, and the events of the last few days can only exacerbate it. The threat to the British Steel pension scheme is newsworthy and current.

As the consultation response from the Institute and Faculty of Actuaries suggests, there is a much wider threat to pension schemes, but this self-induced run on the markets has made that threat greater. We need to put it in the context of the economic circumstances that we face. The fallout from the financial crisis of 2007-08 is still with us. We are burdened with eye-watering levels of debt. Wages have barely risen in real terms since the financial crisis. Productivity has flatlined and prospects for economic growth had already been cut before we ran into the backwash of the referendum. What was required was a focus on driving investment into our economy through innovation and by driving up productivity growth, as a result delivering higher living standards.

The UK Government have engineered, at the very least, an economic setback of their own making. Why? A fallout over Europe within the Tory party has caused domestic and foreign investors to take fright, and not just at prospects for growth and stability in the UK because this will have a knock-on effect on our neighbours in Europe and elsewhere. The Chancellor has talked about further austerity, so yet again the poorest and weakest in our society will be asked to pay the price for what they have caused? It is, as someone might say, another fine mess they have got us into.

When we look back over the last few years, we see rising inequality, which has been driven by the Government’s fiscal and monetary policy decisions. There has been a lack of appropriate measures to deliver sustainable economic growth, with too narrow a focus on quantitative easing, rather than considering measures that could have led to better outcomes. Where is the Government analysis of the quantitative easing programme? As of today, £375 billion has been invested in an asset purchase scheme. Where are the additional measures to stimulate growth and investment?

We know that the Government and those on the Brexit side had no plan for a leave vote. The Chancellor went into hiding. Well, let us hear it now. The financial markets have given their judgment on the referendum decision. Where is the Government’s response, beyond the Prime Minister calling the market declines an “adjustment”? We need to build confidence and stability, so where is the Government plan to do that? Let the country hear it. I will happily give way to any of the Government Front-Bench team if they want to intervene. So far, we have heard absolutely nothing that would deliver confidence to the financial markets.

We know that there is no plan. The Prime Minister and the Chancellor are like a pair of rabbits caught in the headlights, transfixed and clueless. The Prime Minister was sent packing from the meeting of the Council of Ministers—he is yesterday’s man in Europe and yesterday’s man at home. The Prime Minister has got us into this mess, but he has no plan to get us out. Someone else is going to have to pick up the pieces and deal with the economic uncertainty. Thank goodness that we in Scotland have Nicola Sturgeon and the Scottish Government, who are showing effective leadership. We are optimistic for our country. At the 2015 general election campaign, and in every Budget since, the SNP has set out a credible alternative to austerity that would see us invest in public services and kick-start growth throughout the UK.

People in this country and elsewhere have reflected on the leadership that Nicola Sturgeon has shown over the last few days. We need the European Union to recognise the voice of Scotland and the fact that Scotland voted to remain in the European Union. Scotland is an internationalist country that is open for business. The vote in the Scottish Parliament yesterday showed a unity of purpose, giving the Scottish Government a mandate to negotiate with the European Union to protect the interests of the Scottish people and to make sure we retain access to the single market, which is so important to the security of jobs, investment and growth.

Let me say to the people of Scotland and to those in this Chamber that Scotland in Europe will be a beacon of hope, bringing jobs and investment to this country. People in London who are concerned about operating in financial services can come to Scotland—to a country that sees itself as part of a European destiny, that will be very much focused on jobs and growth, and that will deliver for the people of Scotland.

Danny Kinahan (South Antrim) (UUP): Given all the hon. Gentleman’s passion for staying in Europe, and for all of us in the Union working with each other and with Ireland, does he agree that we need to find a way of establishing how Scotland fits into the Union and how all the parts of the United Kingdom can work together so that we can move forward?

Ian Blackford: Of course, those of us on the Opposition Benches will work to ensure that we can rescue something out of the carnage of the vote that took place throughout the UK.

The people of Scotland and Northern Ireland voted to remain in the European Union. Of course we want to do our best for all the people of the UK, but our primary responsibility is to protect the people of Scotland. That is why we need to extend the hand of friendship to
the people of the European Union and to say to them, “Please stand by us. We have stood by you.” Let us make sure that Scotland remains in the European Union so that we can deliver hope, prosperity and jobs for our people.

5.17 pm

Stephen Gethins (North East Fife) (SNP): May I, too, thank the Labour party for giving us the opportunity to debate this matter? The European referendum result has been debated by the European Parliament, the Welsh Assembly and the Scottish Parliament, so it was high time we had the opportunity to do so, notwithstanding the time the Prime Minister has given us in his statement. As always, it is a privilege to follow my hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford), as well as my hon. Friend and neighbour—the Member for Kirkcaldy and Cowdenbeath (Roger Mullin).

The decision that has been made will have a huge impact on Scotland. My hon. Friend the Member for Kirkcaldy and Cowdenbeath mentioned research. In my constituency, I have the University of St Andrews, which has argued that for every £1 of Scottish Funding Council grant it receives, it returns £12 pounds to our economy. To turn that on its head, for every £1 that St Andrews loses, Scotland will lose £12. That has a significant impact on the economy locally.

I speak from personal experience, as somebody who benefited from the right to live and work in the European Union, and as somebody who benefited from Erasmus. I know the opportunities that that gave me and the opportunities that young people are now missing out on, and I wonder whether the Government will reflect on the training and educational opportunities that will be lost to not only individuals but the broader economy.

It is worth remembering, on a question of democracy, that Scotland voted overwhelmingly to remain part of the European Union. If we take the electoral regions throughout the United Kingdom, we find that the highest proportion for any side—remain or leave—was the 62% gained in Scotland, with every single local authority area voting remain, including the two that voted not to join back in 1975. That was a phenomenal mark of support for European Union membership, and one that it would be ill-advised to ignore.

On the point about democracy—I made this point to the right hon. Member for Birmingham, Hodge Hill (Liam Byrne) earlier, but it is important—this place will gain powers and responsibilities, and it will have more say over the day-to-day lives of our citizens. So why—I would be delighted if anybody can tell me this—do we maintain the unelected afforded to democracy that is the House of Lords when Vote Leave argues on a point of order?

Given the issue of stability, which is so important for the economy, and the huge uncertainty around Scotland remaining part of the United Kingdom, I am delighted that over the past few days the Scottish Government have shown a huge amount of leadership. I pay tribute to the Scottish Government, who, it would appear, represent the only functioning party of Government left in the United Kingdom. The vacuum that has been left by the Conservative party and the Labour party, which is reflected in this Chamber right now, is doing no credit to this place whatsoever. What is more, just as the people of Scotland are being well served by the Scottish Government, the people of England are being ill served by their two biggest parties. The people of England—who have made their decision, and we respect that—deserve much more than they are receiving at the moment.

Let me say more broadly—my hon. Friend the Member for Kirkcaldy and Cowdenbeath has worked very hard on this—that we have a rich heritage of European citizens who have made their lives and their homes in the United Kingdom. European citizens have made, and continue to make, a huge contribution in my constituency. They enrich our economy, and they enrich our society more broadly as well. I wish that more leading politicians had said what the First Minister of Scotland said:

“...I want to take the opportunity this morning”—

the morning after the referendum—

“...to speak directly to citizens of other European countries living in Scotland—you remain welcome here, Scotland is your home and your contribution is valued.”

We all need to repeat that over the coming weeks and months.

Callum McCaig: As other hon. Members have said, there is no impediment against this Government—indeed, this House—making a positive statement about the rights of those EU citizens, whom we value and who make an unbelievable contribution to our communities. That can and should be done. We need to press all those seeking the Tory leadership on this. If they all unite on it before going through the rigmarole of electing a new leader, we can end this uncertainty, which must be unbearable for these people.

Stephen Gethins: My hon. Friend, as usual, makes an excellent point. We should have some commonality of purpose, and a few more people should repeat that, because of the richness that these people bring to our society—the Scots Germans, the Scots Irish, who would include my family many, many years ago—[Interruption.]

And the Scots Australians as well. We are a richer country for it. If the leadership contenders, in no matter which part of the House, could make that commitment, it would be valuable to these people, and to us.

Things have changed, and changed utterly. Over the past few days in Scotland, a number of people who voted no in the independence referendum are coming round to the idea of independence—or certainly coming round to the idea of working together to maintain Scotland’s place in the European Union. I give credit to members of the Labour party, the Liberal Democrats and the Green party who are working with the SNP in the Scottish Parliament to maintain Scotland’s place in the European Union. It is interesting that the Scottish Liberal Democrats have now been reported as urging their party to support independence and drop their opposition to it. Henry McLeish, the former Labour First Minister, has said that he is “very, very attracted” to independence and it is a “game changer”.

Outwith domestic politics, internationally and from a European perspective, we are seeing welcome support from people such as Guy Verhofstadt, the former Belgian Prime Minister, who has said:

“it’s wrong that Scotland might be taken out of the EU” against its will. Manfred Weber, the leader of the European People’s party, has said:

“Europe is open to new member states...Those who want to stay”—
poses considerable risks to the UK economy. The financial
in opening the debate, the decision to leave the EU
that is certainly shared by Members on both sides of the
state that their contribution was valued, a sentiment
the EU have enriched his local economy. He wanted to
Gethins) echoed the comments about how people from
Finally, the hon. Member for North East Fife (Stephen
passionate speech. He stated that we should not kick
problems faced by SMEs in trade. The hon. Member for
would struggle to obtain investment, and that “Project
would be moved, that communities in deprived areas
had been raised. The hon. Member for Dundee East
(Stewart Hosie) highlighted concerns about the leave
campaign’s lack of a plan. The hon. Member for South
Suffolk (James Cartlidge) stated that, sadly, some of the
remain campaign’s predictions were coming true. I welcome
the fact that he echoed the sentiments about a cross-party
approach. He said that this is bigger than any leader,
and it certainly is.

My right hon. Friend the Member for Birmingham,
Hodge Hill (Liam Byrne), whose comments I welcome,
"We are where we are and...we...have to lead from the front”.
I could not agree more.

The hon. Member for Kirkcaldy and Cowdenbeath
(Roger Mullin) told us the terrible and harrowing story
of his constituents who have left to go to France following
the result of the European referendum—we hope that
we can coax them back again—and he highlighted the problems faced by SMEs in trade. The hon. Member
for Ross, Skye and Lochaber (Ian Blackford) made a very
passionate speech. He stated that we should not kick
the legs from under stability and highlighted the fact
that falling markets affect the pensions of everyone.
Finally, the hon. Member for North East Fife (Stephen
Gethins) echoed the comments about how people from
the EU have enriched his local economy. He wanted to
state that their contribution was valued, a sentiment
that is certainly shared by Members on both sides of the
House.

As my hon. Friend the shadow Chancellor outlined in opening the debate, the decision to leave the EU poses considerable risks to the UK economy. The financial
markets are in turmoil, sterling remains volatile, the
UK’s triple A credit rating has been lost, and employers
in some sectors have already started to discuss moving jobs out of Britain. This is very worrying, but we can
turn it around. To do so, we need political and economic
stability. We now need all parties to put their political
interests aside and work together in the interest of their
nation’s economy. I have enjoyed the tone of today’s
debate, which has been broadly in agreement with that
sentiment.

Stephen Gethins: I thank the hon. Lady for her comments.
Will she join me in welcoming the fact that the Labour
party, the Liberal Democrats and the Green party in Scotland have given the Scottish Government a mandate to negotiate with the European Union about Scotland’s continued membership of the EU, given the overwhelming vote?

Rebecca Long Bailey: I think that is really an issue for the
Scottish Government. I am sure it will be the subject of
many debates in the coming weeks, and I hope we will
debate it further in this House.

On where we are now, I do not share the Chancellor’s assurances that our economy is now shockproof. He did
not fix the roof while the sun was shining—quite the
opposite: he sold it off. The growth we have heard about is largely built on a swelling bubble of household borrowing and an increase in poorly paid, insecure jobs. I was pleased to hear that his emergency Budget has been shelved for the time being. However, there remains a high probability that austerity measures will be introduced later in the year, imposed by a new Conservative Prime
Minister who could be even more ideologically to the
right than his or her predecessor. Such an approach,
based on cuts and under-investment, has taken hold despite the fact that economists the world over agree that it is economic nonsense to cut Government spending when the economy may be heading towards recession. The most vulnerable will suffer, and our communities will snap under the strain of further public sector cuts. Quite frankly, people cannot take any more.

It is not hard to understand some of the reasons why
countless swathes of people in this country voted so passionately in last week’s referendum—it is no wonder that people were angry with the political elite when their financial situations have worsened rather than improved. On
doorssteps in my constituency, which has suffered from
decades of industrial decline, I could feel the anger from those who have been left behind. They were right
to be angry—angry that our hospitals and schools are in a state of crisis and starved of funding; angry that many people cannot get a home; and angry that our public services are being cut so that the safety net on which they rely is eroded. People rightly wanted something or someone to blame for that, but sadly that was confused in the rhetoric of some of the referendum campaigns. A
hornets nest was stirred up with scaremongering about
migrants, rather than a debate on the core issue of why
our economy was not working and how the EU affected
that.

We must ensure that migrants living in Britain
know that they are welcome, especially in the light of the
racist attacks and abuse that have been reported since the referendum. I wholeheartedly echo the Chancellor’s comments that such behaviour is not British—that is not what makes Britain the great nation it is. Such disillusionment with the political establishment took
root long before the EU referendum, and 1979—the year I was born—heralded the biggest change in economic thought that the country has ever seen. British manufacturing, and the secure well-paid jobs that came with it, was the envy of the world, but it had its heart and soul ripped out. In many cases manufacturing was moved overseas to cheaper labour markets, and the jobs lost were never really replaced. Communities around the country were destroyed, leaving future generations to pick up the pieces.

Following such decline there has been a failure to restructure our economy, to develop an industrial strategy to support key industries, and to make our country great. However, we are where we are, and whether people voted leave or remain, it falls on us in this House to build a country of which the British people can be proud and in which they feel safe. We need a plan to rebalance our economy and support our key industries—a proper industrial strategy to provide the secure jobs that we so desperately need, and Government investment in our economy so we can become the innovators of the world, with priority investment in those communities that have been economically neglected for years.

All Members of the House must fight for and support our economy and the people in it. The economic outlook for the UK is uncertain, and we are facing turbulent political times. As my hon. Friend the shadow Chancellor emphasised earlier, there are strengths in our economy, but we must nurture and support them at this vital time. If we do not, the future looks bleak. Labour is willing to work across the House to ensure that the people of this country are protected from whatever is to come, and we are committed to delivering an economic agenda that promotes Britain and British industry. Let us be the envy of the world once again.

5.33 pm

The Chief Secretary to the Treasury (Greg Hands): I thank the Opposition for tabling this motion and giving the House the opportunity to reflect on the momentous events of the past week. I also congratulate the hon. Member for Salford and Eccles (Rebecca Long Bailey) on her meteoric promotion to the shadow Cabinet. My right hon. Friend the Chancellor has already congratulated her, but I thought it worth repeating in case there have been any further changes in the past three hours. In all seriousness, I welcome her to her role, and I wish her good fortune in what could be a difficult time in the Labour party.

It is two weeks to the day since we last gathered in the Chamber to debate whether it was in our best interest to stay in the EU, or whether to plot our own course ahead—indeed, I had the last word for the Government in that debate, but we have seen what can happen in two weeks. I said that although I believed the EU needed reform we were better off in. Many hon. Members on both sides of the House spoke in support of that view, just as others—again, on both sides of the House—put the case to leave. That is the mark of a good democracy.

With such a big decision about our future, it was right that the ultimate choice was for the people who make this country what it is. In the past few months and years, this has not been a question confined to the halls of Westminster. It is one that has been debated in homes and streets, on the way to school and on the way to work.

Last Thursday, we braved a typical British summer in large numbers to each have our own say on the question. That is the mark of a healthy democracy. Now we have made the collective choice to leave the European Union, countries around the world will see at least that Britain has a Government who listen to the direction its people set and plot their course accordingly. I am sure my hon. Friends will agree that that is the mark of a true democracy.

Stephen Gethins: On the mark of a true democracy—I made this point earlier—does the Minister agree that we should have a timetable to scrap the House of Lords, given the vote about democracy?

Greg Hands: This may come as news to the hon. Gentleman—he was not here in the previous Parliament, although some of his SNP colleagues were—but we had a very extensive set of debates, including a number of votes, on the future of the House of Lords. I do not think that, at this time of great interest in the nation’s constitutional affairs, another debate about the future of the House of Lords would be sensible.

We heard some very good speeches, including from my hon. Friend the Member for South Suffolk (James Cartlidge). I agree with him that it is no use going back to what might have happened. We need to move forward in reasserting our strengths as a nation and as an economy. I could not agree with him more that we need to continue with a fiscally prudent regime and build a surplus before the end of this Parliament.

George Kerevan: Is the Minister therefore saying that the Treasury is still committed to running a budget surplus in 2019, come what may?

Greg Hands: The fiscal rules provide for action in the event of particular eventualities. I do not see a need to revise the rules at the moment. We move forward from here. The most important thing is for all of us to unite in moving forward and to make the best possible case for our renegotiation in the European Union.

We heard from the right hon. Member for Birmingham, Hodge Hill (Liam Byrne), who is a predecessor of mine in this role. I totally agree with him about being loud and clear on the rights of existing EU nationals in this country. I can tell him that my own wife, Frau Hands, would very much agree with him as well.

Stewart Hosie: Will the Minister give way?

Greg Hands: I am going to talk a little more about the debate.

My hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) made a very powerful speech, referring to his very strong business background. Like me, he strongly supported the remain campaign. He made strong points about business and the importance of making sure we secure business and trade in our new arrangements.

The hon. Member for Ilford North (Wes Streeting) said he is one of the youngest Members of this House and that he had not been alive when the country had been outside the European Union, which is food for thought. All the years he has been alive, the country has been in the European Union. He was right to say that if
an economy goes wrong, it is very likely to be the poor who suffer most. That would also apply in London, which we both represent. He issued a warning to the skeleton Front Bench of his own party. It is not appropriate for me to reflect too much on that, but I am sure his points landed with those he wished to make them to.

My hon. Friend the Member for Bexhill and Battle (Huw Merriman) made a strong contribution. He made an interesting observation at the beginning of it, when he said he hosted debates with high-quality speakers in his constituency and came away thinking that they did not seem to sway voters either way. He also said that the economy will bounce back if we act with resolve, which was an important point.

We then heard three speeches from Scottish National party Members—the hon. Members for Kirkcaldy and Cowdenbeath (Roger Mullin), for Ross, Skye and Lochaber (Ian Blackford) and for North East Fife (Stephen Gethins)—and I have taken a couple of interventions from them. They made impassioned speeches and some pretty familiar points.

Ian Blackford: Will the Minister give way?

Greg Hands: No, I will carry on.

The result may not have been what some of us wanted, hoped for or even expected, but that does not mean that the Government were unprepared for it. In the past six years, we have been working hard to bring our economy back from the brink and get our public finances back under control. We said we needed to fix the roof for any economic storms ahead, and that is what we have done. We have brought down the deficit, and we have steady growth, record employment and a resilient financial system, which we spent the past six years strengthening.

We have done the analysis on what leaving the EU might mean, and considered the potential impacts on our economy in both the short and the long term. There was general consensus in the House a fortnight ago on the risks we might face, so hon. Members recognise that it will not be plain sailing and that there are challenges ahead, but thanks to the measures we have taken over the past six years our economy is as well prepared as it could be to face whatever comes our way.

We anticipated that there would be an immediate impact on the value of our currency and the stability of the financial markets. The Treasury, the Bank of England and the Financial Conduct Authority have extensive contingency plans in place and we are watching the markets closely. Although we have seen volatility, the markets nevertheless continue to function effectively.

The Prudential Regulation Authority has worked closely with major financial institutions to prepare extensively for the consequences of a vote to leave. The Bank of England stress tests show that UK banks have enough capital and liquidity reserves to withstand a scenario more severe than the country currently faces. Thanks to our work to strengthen our financial stability, banks in the UK have raised more than £130 billion of additional funds in the past six years, and have more than £600 billion in liquid assets to ensure that they can keep lending to UK businesses and households during challenging times. The Bank of England can provide more than £250 billion of additional funds to support the banks and the smooth functioning of the markets. It can also provide liquidity in foreign currency if required. The authorities have all the necessary tools in place to protect financial stability. They are monitoring developments closely and will not hesitate to take further measures as required.

As we embark upon the renegotiation of our relationship with the EU, I reiterate the reassurances of the Prime Minister that the result does not mean that everything changes overnight. For British subjects living in the EU and EU citizens living in this country, there will be no immediate changes. People can still travel across the EU, businesses can trade as they did and our services can be sold as before.

The Prime Minister has been clear that there will be no immediate triggering of article 50, the procedure by which a member state can leave the EU. That gives us time to plan the new arrangements we are seeking with our European friends and neighbours. It also gives the Prime Minister’s successor the opportunity to make any adjustments to economic policy and our public spending, informed by an assessment of our economic situation from the independent Office for Budget Responsibility this autumn. In the meantime, we will continue to work hard to maintain the fiscal stability we have always worked so hard to deliver. A new unit will be set up in Whitehall bringing together experts from across the civil service, and in answer to the right hon. Member for Birmingham, Hodge Hill I can say that it will extend right across Whitehall, including all Departments likely to be affected, and that it will be given the resources it needs.

Liam Byrne: The Home Office?

Greg Hands: Yes, it will include the Home Office, and it will advise on the many options we face as we determine our future relationship with the EU. As Chief Secretary to the Treasury, I expect to play my own part in that task over the coming months.

Danny Kinahan: Does the Minister agree that the unit needs to consider how we hold the Union together and build the relationships between Scotland, England, Wales and Northern Ireland, given the direction in which Scotland seems to want to move and the need to maintain our relationship and trade with Ireland?

Greg Hands: I thank the hon. Gentleman for his intervention. Of course, we have to keep on board all the devolved Administrations and make sure we get the right deal for all the nations of this country and, indeed, for Gibraltar. I know that different parts of the UK voted different ways—my constituency voted 70% to remain—but we must come together and ask for, and get, the best possible deal for the UK as a whole in the negotiations. That is absolutely the key point. This is not a time for division between our nations and communities.

Now is also the time to heal divisions in the country and in our communities. I was one of the first to condemn the disgraceful attack this weekend on the Polski Osrodek Spoleczno-Kulturalny—POSK—which is in what used to be my constituency in Hammersmith. I was delighted...
that—people have commented on this—perhaps for the first time in 20 years the hon. Member for Hammersmith (Andy Slaughter) and I have found something to agree on. We were retweeting each other in condemnation of the attack. It was an absolutely disgraceful attack on the Polish community in particular and on EU nationals and foreigners in general.

There was some irony there. I am not sure that the people responsible had any sense of what POSK did. POSK was set up in the 1960s. It had nothing to do with EU freedom of movement and labour or our joining the EU in 1973—even if it did, of course, the attack would still not have been correct. POSK was founded back in the 1960s, as a focal centre for the local Polish community, many of whom fought shoulder to shoulder with British servicemen in the second world war, fighting for our values and protecting our way of life. Never has the word “solidarity” felt more appropriate in how we reach out to the Polish community and other EU communities in this country. Sadly, that attack was not the only incident of xenophobia across the country, but every right-thinking person, on both sides of the House and the referendum debate will see them for what they are: ignorant and unwelcome displays of hatred, which have no part to play in the future of this country.

Both professionally, as the representative of a constituency where about 17% of local people are EU nationals and which benefits from their contribution, and personally, as the husband of a German wife and father of half-German children—they were in tears on Friday morning after hearing the referendum result—I want to send the message loud and clear from this Chamber that our fellow Europeans are still welcome in the UK, as are those from beyond the continent.

Lyn Brown (West Ham) (Lab): I had an Italian constituent in tears on Saturday—she had been here for 30 years and had raised her family here—asking whether we were going to deport her and her children. We need to get a grip and the Government need to get a plan.

Greg Hands: The Government have been loud and clear in condemning these events, and a statement was made earlier on what the Government are doing in response. A vote to leave the EU is not a vote for hatred and intolerance; it is not a vote to turn our backs on our European friends; and it is not a vote to pull up the drawbridge and turn away from the world. At the same time as we find the best way forward for this country, we must uphold the very best values.

This debate has moved on from a fortnight ago. It is no longer a question of whether we should leave the EU, but how. We have got our decision; now is the time for all of us to roll up our sleeves, get on with the job and keep building the best future for this country. I have every confidence that this is precisely what our hard-working people will do; it is precisely what our businesses will do; and it is precisely what this Government will do. Investors across the world will see that our economy is fundamentally strong and that we are still very much open for business. In government, we will continue to build on those foundations to seek the best opportunities for people across the UK. That has always been our aim, and it will remain our aim as we plan the way ahead.

Question put and agreed to.

Resolved.

That this House recognises the risks posed to the UK economy following the decision to leave the European Union; notes with concern the loss of the UK’s triple A credit rating, the potential output cut, potential job losses, risks to investment and the volatility in the equity and currency markets; and calls on the Government to bring forward measures to protect jobs and support businesses in the nations and regions in relation to the short, medium and long-term potential consequences of the referendum decision, and to address the current threats to community cohesion.
5.50 pm

Dr Andrew Murrison (South West Wiltshire) (Con): I beg to move,

That this House has considered the centenary of the Battle of the Somme.

The motion was tabled in my name and that of the hon. Member for Barnsley Central (Dan Jarvis).

On 12 August 1916, a young German officer called Friedrich Steinbrecher wrote home, saying:

“Somme. The whole history of the world cannot contain a more ghastly word.”

Somme is seared into the national consciousness like no other battle before or since.

On Friday, in Manchester, at Thiepval, in London and across the country, we will unite to mark the first day of the centenary of the Somme. Soldiers are often glorious, but war never is—and anyone saying otherwise is a complete fool. War is sheer, bloody reeking hell on earth, and we politicians must do everything in our power to avoid it. More than 1 million men lost their lives during the 141 days of the Somme offensive, many of them reduced to unrecognisable scraps of flesh and bits of gristle. Most, of course, survived but so many were left with physical and mental scars that they would take with them to the grave.

For the record, I should declare an interest: since November 2011, I have been the Prime Minister’s special representative for the commemoration of the centenary of the Great War and thus involved with the national arrangements that I suspect my right hon. Friend the Minister will shortly discuss. All I will say, sparing his departmental blushes, is that his officials and the associated arm’s-length bodies have done a truly fantastic job, and continue to attract admiration from our international partners. I would also like to pay particular tribute to the Commonwealth War Graves Commission, the Royal British Legion and the Imperial War Museum, which have all worked tirelessly, and to the BBC whose coverage has been in the very best traditions of public service broadcasting.

I think we have had a pretty divisive few weeks. Now is the time for unity, as we come together to remember one of the bloodiest battles in our history—a battle that touched everyone from Lerwick to Londonderry to Land’s End. In all our communities, it still casts a long shadow. If a battle divides, its centenary has the power to unite. That was vividly shown last month when we marked the centenary of the Battle of Jutland, shoulder to shoulder with Germany in the grand panorama of Scapa Flow and on the Jutland Bank.

Mr Jim Cunningham (Coventry South) (Lab): The Somme was obviously the major battle of the first world war, but we should not forget all the other battles of that war, in which so many men lost their lives or were badly maimed. My grandfather, for example, was badly wounded at the battle of Loos.

Dr Murrison: The hon. Gentleman is absolutely right, and I suspect he will have closely followed the programme over the past two years and will continue to monitor it closely over the next two years, leading up to armistice in 2018.

As I was gazing over Scapa Flow a few weeks ago, I wondered how many seamen in Jellicoe’s grand fleet, or in Scheer’s high seas fleet, would have guessed that their countrymen would be spending most of the ensuing 100 years as the closest of allies, united in the most powerful alliance that the world has ever seen. On Friday, we will be standing shoulder to shoulder with another friend and ally at a very special Anglo-French place, the Thiepval monument on the Somme, in the lee of which there are 300 French and 300 British graves. It is a special place; a haunting place. It was Lutyens’s great triumph—a monument to the missing, but more than that: an enduring monument to the unity, I think, of Europeans, and particularly our unity with our closest continental neighbours.

At this time of historic opportunity and risk, let us make the centenary’s legacy one of amity and concord in our European neighbourhood. Here at home, too, we are desperately in need of a coming-together moment. The Somme vigil on Thursday night, and the silence at 7.30 on Friday morning, will, I hope, facilitate such moments of quiet reflection.

Julian Knight (Solihull) (Con): My hon. Friend is making a powerful speech, which is worthy of this occasion. Does he agree that one of the most encouraging developments of the last few years is the greater respect that is shown to our armed forces, and, in particular, the armed forces covenant? Is our country not coming together to a greater extent than ever to mark the dedication and service of our armed forces?

Dr Murrison: I agree with my hon. Friend. One of the things that has struck me while I have been doing this work is how much added value there is in the presence of a serviceman from today’s Army on the battlefield tours that we have been running, and in seeing the faces of the young people for whom the tours were principally designed. One understands that they get it—in that moment, they get it—and there is a bridge between today’s servicemen and those who served 100 years ago. That is very powerful.

I am very pleased to see that so many colleagues from Northern Ireland are present. As I was preparing my speech, I asked myself, “Who can I reasonably expect to see in the House during this debate?” I am not surprised, and I am not disappointed. May I pre-empt some of the remarks of Northern Ireland Members by saying that there is nowhere in these islands where the force of the Great War is more keenly felt, or, indeed, where I have felt that more value has been extracted as a result of this centenary commemoration? The way in which communities have been pulled together by sharing history that is so often complex and nuanced has been a joy to behold.

When prominent Republicans feel comfortable telling us about their relatives’ wartime service in the British Army, when members of the nationalist community—as guests of the Somme Association at the Somme Museum in County Down—proudly show us their grandfathers’ Great War medals, when the Irish Ambassador lays a wreath at the Cenotaph for the first time, and when
That is why they endured unspeakable horrors. That is why men went over the top in July 1916.

Remembrance is hard-wired into the four-year centenary, but what does remembrance of the Somme actually mean now, today, given that its participants would have been long since deceased in any event? I look forward to hearing the views of young people the length and breadth of the country who will be taking part in the series of Great War school debates that were successfully opened last night in Manchester.

The perspective of youth on the causes, conduct and consequences of conflict is so important to our future, but for me remembrance means reflecting on loss and missed opportunity. Our society now is the poorer for the fallen not having enriched the last century through arts, science, medicine, business, even politics. We lost the famous men honoured in their generation, the glory of their time, cited in “Ecclesiasticus”, which many of us will have read out on Remembrance Sunday. Society is the poorer also for the loss of men who would otherwise have lived out their lives in relative obscurity. “Ecclesiasticus” mentions them too. It is the poorer because of the children who were never born to all those great uncles, children whose names were never etched in stone and whose number was never counted among the casualties. In all that hopeful, bright, missed opportunity, how bitterly ironic that one participant in the battle survived—the very distillation of evil, a corporal in the Bavarian army who would march the world to an industrial scale. But ask those who have served in the wars of the 21st century, the sort of conflict that we will be debating, again and at last, next week. They will say the same. A gentler age would have called it love for your oppo. In today’s terms, it is loyalty to your mates.

Nowhere is that better shown than in the Pals battalions of Kitchener’s volunteer army, a phenomenon that is a byword for the pathos of the Somme. That magisterial work, “The First World War” by my late constituent and near neighbour Sir John Keegan, ends with this: “Men whom the trenches cast into intimacy entered into bonds of mutual dependency and sacrifice of self stronger than any of the friendships made in peace and better times. That is the ultimate mystery of the First World War. If we could understand its loves, as well as its hates, we would be nearer understanding the mystery of human life.

Steinbrecher survived the Somme, but was killed in action the following year. By then, with the Americans entering the war, the tide had turned. Another German officer, Captain von Hentig, described the Somme as “the muddy grave of the German field army” and so it was. But peace came, and Europe’s politicians failed, a betrayal of the fallen and a reminder of our heavy responsibility.

Several hon. Members rose—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. To try to give everyone equal time, because I know how important this debate is, can we try and restrain ourselves to between five and 10 minutes, so we will all manage to have the same amount of time?

6.5 pm

Dan Jarvis (Barnsley Central) (Lab): I know that Members from all parts of the House are grateful for the opportunity to mark this important moment of remembrance, and I would particularly like to thank the hon. Member for South West Wiltshire (Dr Murrison)—my hon. Friend—who in his role as the Prime Minister’s special representative for the centenary commemoration of the first world war has done very important work in ensuring that the first world war is commemorated in an appropriate and inclusive way. He and I agree that one of the most important reasons for our country to remember is that our country’s young people—the next generation—cannot. To them, thankfully, a war in western Europe seems a distant prospect and my hon. Friend deserves generous praise for working to ensure that our next generation has been fully engaged in this process of commemoration.

Many of us will be attending commemorative events for the Battle of the Somme in the coming days, but it is absolutely right that in this place we have the opportunity to pay our respects. Organisations and community groups across the country will also be commemorating this centenary. I want to pay particular tribute, as my hon. Friend did, to the work that is specifically being done by the Royal British Legion, the BBC, the Woodland Trust, the Commonwealth War Graves Commission and the Imperial War Museum. They have all made a very significant contribution to this process. Tonight, I want to reflect on the battle itself, the contribution made to the war effort by the country, and the wider implications of the battle and the first world war itself.
On the morning of 1 July 1916, the piercing sound of whistles filled the air as men climbed out of their trenches to advance, and so began 141 days of the bloodiest battle of world war one. Those soldiers were surrounded by their comrades and driven forward by determination, duty and fear. The prospects of reaching the enemy trenches were grim as whole waves of men fell to the storm of oncoming fire that spread across the battlefield.

By nightfall some 21,000 would lay dead and 35,000 lay wounded. It is hard to comprehend the horror. The sound of British artillery guns could be heard across the channel on the south coast of England, mines detonated beneath the German trenches shook the ground, and within moments cries of the wounded were echoing across the bloodied battlefield.

For every yard of the 16-mile front there were two British casualties, and by the end of the battle more than 1 million soldiers had been killed. The terrible price paid by those soldiers reverberated across Europe and, indeed, the world.

In the weeks and months that followed, families would mourn their loved ones who would never come home. This pain was felt in every community across our country. Of the 16,000 towns and villages across Britain which dispatched soldiers to war in 1914, only 40 “thankful parishes” would see the return by 1918 of all who had left for the conflict.

I visited northern France last year to pay my respects to those who had fallen: men who were prepared to face danger to secure freedom for people they would never meet and never know. I stood in the trenches they had defended. I imagined the terror they must have experienced and walked the ground on which they had fought. I knelt in front of their graves. It felt like they were a long way from home.

On occasions such as these, it is customary to talk about one’s own local unit, and I will do so in a moment. I remember being in northern France a year ago, standing in the trench from which the men of the Devonshire Regiment had begun their attack. Those who had fallen now lie buried in the very same trenches from which they had fought. There is a plaque marking the spot, and it reads:

“The men of the Devonshire Regiment held this trench. They hold it still.”

Many of those who lost their lives on the Somme were volunteers—men who put themselves forward after seeing Lord Kitchener’s famous recruiting poster. Among them were the Barnsley Pals. They were miners, steelworkers, glassworkers, clerks, stonemasons and clerics, and many of them were friends and neighbours. They joined up together, they trained together and they went to war together. Ultimately, many of them died together. That story is true not just of the Barnsley Pals but of the many volunteer battalions up and down the country. Some signed up through a sense of duty, others through a sense of adventure, but regardless of their reasons for joining or of where they came from in our country, we stand united today to recognise and remember their sacrifice. We live in peace and enjoy freedom today because of what they and others did for us. That is a legacy that must endure for all time.

We should also take a moment to acknowledge how the Somme and the first world war in general helped to reshape our society. We remember the sacrifice of the men who died at the Somme, but Britain’s war effort would not have been possible had women not become the backbone of the war effort. This ultimately led to the Representation of the People Act 1918, which at long last extended the voting franchise to women. It can also be argued that the conflict planted the seeds for the growth of the trade union movement, the transformation of the state and the fundamental realignment of British politics that has had a profound impact on our country over the last century.

This debate also provides us with an important opportunity to pause, to remember and to pay tribute to those from the Commonwealth nations who fought alongside British troops. There were volunteers from India, the West Indies, Africa, Australia, New Zealand and other countries across the globe. They were thousands of miles away from home but they were fighting with great courage for what they believed to be right. We owe them a debt of gratitude.

In our debate in this place just a couple of years ago, we marked the start of our commemoration of world war one by saying how important it was for it to be a commemoration and not a celebration. In that spirit, I also want to commemorate the men in the opposite trenches at the Somme who lost their lives during the battle’s 141 horrific days. I have read the accounts of both German and allied troops who fought at the Somme. The accounts are eerily similar and similarly tragic. Those in the opposing trenches were not monsters. They were young men, just like their British and allied counterparts, fighting for their country.

We know that, sadly, the first world war did not turn out to be the war to end all wars, as David Lloyd George had suggested. Within two decades, war would again engulf our continent, but it is a fitting tribute to those who died in both world wars that we now pursue partnerships of peace and are enjoying our longest period without conflict in western Europe for nearly 2,000 years. It is comforting to know that what were once fields of war are now fields of peace.

The historian A. J. P. Taylor once said that idealism died on the Somme. I do not believe that that is true, and I do not believe that we can allow it to be true. We must keep working for a better world—a world that stands as a fitting legacy for those who fell at the Somme in those dark days 100 years ago. It is a mark of our common decency that we commemorate a war of history, but it is a measure of our common humanity that we continue our work today to ensure that such an event never occurs again. That is the greatest tribute that we can pay.

6.14 pm

Mrs Maria Miller (Basingstoke) (Con): It is a privilege to follow the hon. Member for Barnsley Central (Dan Jarvis), who gave a moving speech, talking in very human terms about one of the bloodiest battles in our country’s history. I join him in paying tribute to the Commonwealth citizens who gave so much in the war. Like him, I took my family to northern France to see the battlefields—they are a moving sight.
It is also a great privilege to follow the powerful speech made by my hon. Friend the Member for South West Wiltshire (Dr Murrison). He has provided exemplary leadership on this particular piece of work. The whole House owes him a great debt of gratitude for all the work that he has done. He is right that war is hell on earth, but his thoughtful opening to the debate set the events in an understandable context. It is difficult for us to comprehend the scale of the sacrifice of those who went into battle 100 years ago.

There are no surviving soldiers to tell us their stories. Instead, we have extraordinary monuments of scale and poignancy that defy belief. Lutyens’ Thiepval monument, commemorating more than 70,000 British and South African soldiers, is haunting, but it is a place that we should all visit. The Welsh red dragon of Mametz wood remembers more than 400 soldiers who were killed and injured in that particular part of this appalling battle. These are extraordinary monuments to people who showed courage in the face of such horror. I pay tribute to the Government for putting in place the Battlefield Tours Programme, which continues to help many children to gain a deeper understanding of this important part of our nation’s history. My hon. Friend is right that remembrance is hard-wired into these commemorations. This is about loss and opportunities forgone.

I did not learn about the war from great-grandfather, who was a soldier in the first world war. It was actually from reading the memories of poets such as Wilfred Owen that I gained my first understanding of the horrors of the war. My hon. Friend paid tribute to the Commonwealth War Graves Commission and the BBC, and I want to extend that tribute to, and specifically talk about, the work of 14-18 NOW. With no one left to tell the stories of what happened, we are again using the work of artists to help us to connect with the horrors and the courage of the Somme 100 years on.

While I was a Minister, I was fortunate enough to be able to help to establish 14-18 NOW and to give another generation of artists the opportunity to help us to make sense of the events. Jenny Waldman and Vikki Heywood have led the way in commissioning some extraordinary work that will live on in everybody’s memory, such as the iconic poppies at the Tower of London, the dazzle ships, and the “Lights Out” event that marked the start of our nation’s first world war commemorations. Those visual, memorable events brought into our consciousness the devastating events of so many years ago. The advisory panel, which I had the honour of chairing on behalf of the Prime Minister, ensured that the programme of works was inspiring and fitting. I again pay tribute to my hon. Friend the Member for South West Wiltshire. Not only was he a member of that extraordinary panel of people, but he ensured that the events came to fruition.

14-18 NOW has helped to create a body of work to mark the 100th anniversary of the battle of the Somme, including the newly commissioned opera “In Parenthesis”, which is based on the epic poem by David Jones, “Memorial Ground”, a new choral work by David Lang, and the Somme 100 Manchester event at Heaton Park with the Hallé orchestra. All those pieces of work can perhaps help us to understand the raw emotion of those times. Yet again it has been the artists who have helped us, another generation, to connect with and comprehend the scale of horror and courage.

We are at a point in our history when our relationship with the rest of continental Europe is very much at the forefront of our minds. My hon. Friend the Member for South West Wiltshire was right that the legacy here is of coming together. In remembering the battles fought 100 years ago alongside our allies, we should not forget the sacrifices that were made by so many men and women on both sides. We may vote to leave a political institution, for whatever reason, but the pasts and destinies of Britain and our European neighbours will be forever intertwined. We should remember those who lost their lives.

6.20 pm

Sir Jeffrey M. Donaldson (Lagan Valley) (DUP): It is a privilege to follow the right hon. Member for Basingstoke (Mrs Miller). I had the pleasure of serving under her chairmanship on the first world war centenary advisory board and of working alongside the hon. Member for South West Wiltshire (Dr Murrison), the Prime Minister’s special representative for the centenary commemoration of the first world war. He has been in Northern Ireland and the Republic on a number of occasions and joined us in some of our centenary commemoration events. We thank him for all his support.

The Battle of the Somme has a particular resonance, as the hon. Gentleman reminded us, for the island of Ireland, and especially in the historic province of Ulster in what is now Northern Ireland. The 36th (Ulster) Division, which was deployed for the first time in combat on 1 July 1916, acquitted itself with great gallantry, heroism and fortitude, but it suffered a huge loss on that fateful day.

Before I go into a little detail on that, may I pay a tribute to my colleagues on the Northern Ireland world war one centenary committee, which I have had the privilege of chairing since its formation? The committee is responsible for organising the main events throughout the centenary period. We have a special programme of events coming up this weekend in Northern Ireland, including an overnight vigil at Clandeboye, near Helen’s Tower, the scene where the 36th Division trained before it went off to France to fight on the western front. We will have events at Belfast City Hall and in Parliament Buildings, Stormont. In the evening, we have a festival of remembrance at Carrickfergus castle. Saturday is devoted to local community events, commemorating the losses at a local level in villages, towns and cities across Northern Ireland. On Sunday, we have a special service in St Anne’s cathedral in Belfast to commemorate the sacrifice not only of the 36th Division, but of the 16th (Irish) Division, which fought with equal valour at the Battle of the Somme.

Mr Nigel Dodds (Belfast North) (DUP): May I commend my right hon. Friend on the way in which he has chaired the Northern Ireland world war one centenary committee? He mentioned the sacrifice of the 36th (Ulster) Division and the 16th (Irish) Division. The way in which the commemorations are playing out in Northern Ireland is exemplary because they are bringing people together.

For the first time in a long time, people are recognising the sacrifice of soldiers from Northern Ireland and southern Ireland. The work that his committee has done has been absolutely tremendous.

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For the first time in a long time, people are recognising the sacrifice of soldiers from Northern Ireland and southern Ireland. The work that his committee has done has been absolutely tremendous.
Sir Jeffrey M. Donaldson: I thank my right hon. Friend for his very kind words. It is not just me but my colleagues from many parts of civil society in Northern Ireland who have come together to undertake excellent work to ensure that the centenary commemorations are inclusive—they have been, as the hon. Member for South West Wiltshire has reminded us—and that they embrace people from right across the community. I have had the pleasure of attending events in Northern Ireland in which people from all sections of the community have taken part. I have attended services, for example, at Lisburn cathedral in my constituency, where we marked the centenary of Gallipoli. We had the Speaker of the Northern Ireland Assembly, a member of Sinn Féin, lay a wreath in the cathedral in remembrance of the men from the island who died in that battle.

Tom Elliott (Fermanagh and South Tyrone) (UUP): I totally accept the right hon. Gentleman’s purpose and what he is saying. Does he accept that in 1916 there was huge turmoil in Ireland, which was under the United Kingdom at the time—we had one country in Ireland? Does he accept that the Irish Government have now taken on their responsibilities and role, and that they recognise the soldiers who died at the Somme and in other battles, which they did not do for many years? They deserve some credit for that.

Sir Jeffrey M. Donaldson: Indeed. I echo the hon. Gentleman’s comments. It has been a pleasure to work with the Irish Government. We have organised and hosted a number of joint events commemorating soldiers from right across the island of Ireland. I will be back in Glasnevin cemetery in July, where some more of the Victoria Cross stones will be unveiled for soldiers who died. They lie in the shadow of the cross of sacrifice in Glasnevin cemetery. I commend the Irish Government for the way in which they have embraced the centenary of the first world war. The events that they have organised have been most appropriate and inclusive.

Graham Evans (Weaver Vale) (Con): I had the privilege of visiting the Somme and in particular the Ulster tower on the Somme. I do not know whether the right hon. Gentleman has visited that wonderful memorial. Will he join me in paying tribute to those who organised that? It tells the world and the European Community of the sacrifice of the 36th (Ulster) Division on 1 July.

Sir Jeffrey M. Donaldson: I thank the hon. Gentleman for his intervention. He is right. The Ulster tower is a replica of Helen’s Tower at Cladaghboy, and on 1 July there will be, as there is every year, a special event to mark the sacrifice of the 36th Division. I commend to the hon. Gentleman the Irish peace tower at Mesen, which is symbolic of the three Irish Divisions—the 10th, the 16th and the 36th. I hope that next year, as part of the centenary commemorations, we will hold a joint commemorative event with the Irish Government to mark the sacrifice of the three Divisions in the first world war.

The 36th (Ulster) Division was commanded by Major General Oliver Nugent. On 1 July, the first day of the Battle of the Somme, it was one of the few Divisions to make significant gains on that fateful day. Its objective was to take the German position known as the Schwaben redoubt. The Ulstermen took the German front lines and secured that position, but did so at a huge loss. It is worth recording that on the first two days of fighting at the Somme, the Ulster Division lost 5,500 officers and enlisted men, killed, wounded or missing in action.

Given that Northern Ireland is a very small place, the impact of such losses in two days of battle was huge. Visitors to many of the cities, towns and villages in Northern Ireland today will see place names linked to the Somme. In my constituency Thiepval barracks, named after Thiepval wood where the Ulstermen made their attack, is the headquarters of 38 (Irish) Brigade and the Army’s headquarters in Northern Ireland.

Of the nine Victoria Crosses that were awarded to the British Army for the Battle of the Somme, four were awarded to men of the 36th (Ulster) Division. I want to mention briefly the names of those four courageous soldiers. Captain Eric Norman Frankland Bell from Enniskillen, who served with the 9th Battalion, the Royal Inniskilling Fusiliers, was 20 years old when he died on 1 July 1916. Rifleman Robert Quigg served with the 12th Battalion, the Royal Irish Rifles. We were delighted that yesterday in the village of Bushmills in County Antrim, Her Majesty the Queen unveiled a statue to commemorate Robert Quigg and his heroism during the Battle of the Somme. Rifleman William Frederick McFadzean, 14th Battalion, the Royal Irish Rifles, died aged 20 on 1 July 1916. Lieutenant Geoffrey Cather, 9th Battalion, the Royal Irish Fusiliers, 25 years old, died on 2 July 1916. Those four men were awarded the Victoria Cross for their heroism.

I also want to mention the 16th (Irish) Division at the Battle of the Somme. It is important to understand, as we do in Northern Ireland, that it was not only Ulstermen who went over the top at the blow of the whistle on 1 July. There were some from the 10th (Irish) Division. The 1st Battalion, the Royal Dublin Fusiliers, were in action that day alongside the 36th (Ulster) Division, and later in September the entire Division was deployed at the Somme, again with massive losses during the Battle of the Somme. The 16th (Irish) Division suffered 4,314 casualties during the Battle of the Somme. We from Northern Ireland commemorate not only the soldiers from the Province of Ulster—from what is now Northern Ireland—but those from the 16th (Irish) Division who fought and died alongside the 36th Division at the Battle of the Somme.

In concluding, to underline the significance of the Battle of the Somme for those of us from Northern Ireland, I quote the now famous words of Captain Wilfred Spender of the 36th (Ulster) Division, who wrote—I never tire of quoting these words—on 2 July, the following day: “I am not an Ulsterman but yesterday, the 1st. July, as I followed their amazing attack, I felt that I would rather be an Ulsterman than anything else in the world. My pen cannot describe adequately the hundreds of heroic acts that I witnessed...The Ulster Volunteer Force, from which the division was made, has won a name which equals any in history. Their devotion deserves the gratitude of the British Empire.” And so it was. The blood sacrifice of the 36th (Ulster) Division, in my opinion, is the basis on which in 1921 Northern Ireland remained part of the United Kingdom. The Ulstermen did not die in vain. Not only did they die for a cause that was noble in defending European freedom, but they died for a cause that ensured that the Six Counties that are now Northern Ireland remain part of the United Kingdom. Their sacrifice has a special place in the hearts of Ulstermen and women, and it is why this weekend, when we remember them.
and we remember their sacrifice, they will have that special place in our acts of remembrance. But in the spirit of taking forward reconciliation on the island of Ireland, there is also a special place in our hearts for the men from Connacht, from Leinster and from Munster who put on the uniform of the Crown and sacrificed themselves in an equally noble cause, and who died for our freedom.

6.32 pm

Mr Keith Simpson (Broadland) (Con): I congratulate the right hon. Member for Lagan Valley (Sir Jeffrey M. Donaldson) on his moving speech and the hon. Member for Barnsley Central (Dan Jarvis) on his speech and comments. I also congratulate my hon. Friend the Member for South West Wiltshire (Dr Murrison), who I know has worked so hard in preparing all the commemorations to do with the first world war.

I am so old that I interviewed dozens of first world war veterans in the 1970s, many of them officers, about their experiences. The first lecture I ever gave at the Royal Military Academy Sandhurst, in the Churchill hall, was on the Battle of the Somme. Above the snores of the officer cadets, there was the occasional person who was paying attention.

In my brief remarks, I do not intend to replicate the comments that have been made so far about specifics to do with the Battle of the Somme. If anything, I want to try to step back, because it seems to me that one thing that often does not come across in the commemorative ceremonies is: why the Somme, and what happened?

All too often, there is no context in the coverage. People know about the first day of the Battle of the Somme—that it was the bloodiest battle that the British Army ever fought, and that it was just one day—and it has entered our psyche. It has to be more than that, however. It has to have more than a commemorative purpose in bringing together not only the peoples of the United Kingdom, but the peoples of Europe. I think that that is very important. I would say to some of the people who have been involved in the debates on whether we leave or remain in the European Union that the failure to understand why the French and the Germans cling to the European Union comes from a failure to see that this is not just about money; it is about the fact that they fought three brutal wars against each other—the Franco-Prussian war, the first world war and the second world war—and they are determined that that should never, ever happen again. We should bear that in mind.

The next point I want to make is that to understand what happened, we have to go back to the end of 1915. We, the British, were the junior partners in an allied army in 1914. Our old, pre-war regular Army, with the strength of their learning curve had to be absolutely enormous. The men who volunteered in late 1914 and early 1915 were deployed—with large numbers of Territorials. The men who served in the campaign on the Somme were almost entirely Territorials, had just about died off by the end of 1914. We, the British, were the junior partners in an allied army in 1914. Our old, pre-war regular Army, with the strength of the alliance—we represented about 5% to 10% of the French Army ever fought, and that it was just one day—and it has entered our psyche. It has to be more than that, however. It has to have more than a commemorative purpose in bringing together not only the peoples of the United Kingdom, but the peoples of Europe. I think that that is very important. I would say to some of the people who have been involved in the debates on whether we leave or remain in the European Union that the failure to understand why the French and the Germans cling to the European Union comes from a failure to see that this is not just about money; it is about the fact that they fought three brutal wars against each other—the Franco-Prussian war, the first world war and the second world war—and they are determined that that should never, ever happen again. We should bear that in mind.

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The allied strategy was a recognition of the fact that the Germans and Austro-Hungarians were in a powerful position. If you are the Belgians and the French in 1915, that is not an academic thesis. Some 90% of Belgium was occupied by the Germans, and all of northern France was. How do you get them out? The allies recognised that you do that by co-ordinating your attacks. In late 1915, therefore, they decided to co-ordinate an offensive on the Somme in the spring and summer of 1916 with the Russians, the Italians and, of course, the British.

However, old Napoleon Bonaparte once said that the first law of war was that no plan succeeded after initial contact with the enemy. Between February and December 1916, the Germans and the French fought an attritional campaign at Verdun—we are talking about the most monstrous campaign. If any hon. Members have ever been to Verdun, they will know that it puts Thiepval into context. We think that the French lost about 300,000 to 400,000, and the Germans lost about 300,000 to 400,000. This was an attritional war on a vast scale.

The British therefore had to shift the balance. The French were going to take the main offensive on the Somme, but it became the British. The offensive was going to be conducted by an Army led by a few professional regulars. The commander-in-chief, Douglas Haig, had commanded, at the most, 20,000 men in 1914; he was now commanding an army of 1.5 million. The battalions that our Northern Irish friends talk about were lucky if 1,000 men had two regular officers and a couple of regular non-commissioned officers.

The offensive was based on the fact that a vast artillery barrage would destroy the German frontline. We never had enough guns. Our war industries meant that about one third of the shells we produced were duds. The Germans were also a formidable opponent.

The context has to be that the commander-in-chief and his army commander could not agree on the operational plan. Douglas Haig thought that the plan would work, that we would break into the German lines, that the cavalry would be sent through and that we would roll the Germans up. His commander of the fourth army, Rawlinson, believed that all he could do was take the first line of trenches. They never agreed on what the main plan was.

That is crucial in terms of what happened on 1 July. On 1 July, the German defences were not overwhelmed, and the statistics we have seen resulted from the fact that the German machine gunners and artillery were able to destroy our advancing infantry on a vast scale. However, 1 July is only the start of an offensive on the Somme that lasted until November 1916. While we commemorate, and rightly so, the 60,000 casualties on the first day of the Somme, we should recognise that over the next three to four months the British Army endured over 300,000 casualties—the Germans about the same, and the French about the same, in addition to what they had lost at Verdun. We should recognise that this was a major campaign, and we should not ignore the bravery of the men who fought in those ensuing months.

My final point is crucial in understanding the men and women of that period. Yes, there were men and women who opposed the war, and yes, there were men and women—men, in particular—whose morale was broken by what they endured during those operations, but my conclusion from talking to veterans, and from all the reading I have done of letters and diaries, is that they did not give up; if anything, their determination to continue what we regard as a slaughter was increased.
If I were to advise Members to read anything about the first day of the Somme, it would be a novel published in 1961 by John Harris entitled “Covenant with Death”, based on the Sheffield Pals battalion of the York and Lancaster Regiment. It is a marvellous, moving novel. He worked in a Sheffield newspaper office in the 1950s with many of those veterans. Of all the things I have ever read about the first day of the Somme, it is the most moving, and a tribute to the men who died on that day.

Deidre Brock (Edinburgh North and Leith) (SNP): The Somme: the first time this world had seen mechanised warfare and the industrial destruction of human life. “Lions led by donkeys” it was said of the British forces in the Crimean war, but that was never more true than at the Somme. We cannot see the war that those who were living a century ago saw, nor can we hope to understand the horror, the pride, the loss and the patriotism that they felt. It may be a disservice to them for us to try. Current serving personnel and veterans of our modern wars will have some understanding, but we do not. Soldiers, sailors and air crew are now trained before being thrown into the hell that is the killing theatre. Precious few of those who fought in the last century had anything resembling military training. Theirs was not an easy task, nor an easy billet, nor an easy death.

My own constituency remembers most keenly the Edinburgh Pals battalions, encouraged to join up with people they already knew to fight alongside them and to die alongside them. Whole communities were devastated as their sons died on France’s fields. People on the other side of Edinburgh from my constituency tell of an entire professional football team, Heart of Midlothian, which joined a Pals battalion, along with players from other Scottish professional sides. They fared no better—youths who were sent to die in the mud. War is always loss and grief and pain, but the first world war stands out starkly as a reminder of how cheaply the lives of ordinary soldiers were held, and how little regard their leaders had for them, even after the guns fell silent.

I am Australian, so I will take a few moments, if I may, to talk about the forces who came from Australia and New Zealand. The Australian and New Zealand soldiers—the Anzacs—fought first at Gallipoli in April 1915. In July 1916, they were in France, at Fromelles, as a diversion for the Franco-British offensive on the Somme. In September, they were sent to rest, but were back at the Somme in October, where they suffered a very severe winter. About one in seven of the New Zealand division died in the battle, and 40% were wounded. Two thousand graves and 1,200 names engraved on the memorial to the missing mark New Zealand’s sorrow. New Zealand’s population at the time was about 1 million. At the Battle of Fromelles, there were just over 7,000 casualties in the British Expeditionary Force, and 5,500 of them were Australian.

“You, the mothers who sent their sons from faraway countries, wipe away your tears; your sons are now lying in our bosom and are in peace. After having lost their lives on this land they have become our sons as well.”

Wherever they came from, whatever side they fought on and whoever we are now, we should embrace all those who have lost their lives fighting in wars they never started. We should remember them as human beings. In the chaos and cacophony of battle, these boys died painful and frightening deaths, lonely even as their friends died alongside them.

Some say that wars are crimes committed under the cover of patriotism, necessity and self-defence. It is sometimes found necessary to commit such crimes, but they are crimes none the less. It is said that we sleep peacefully because others stand ready to do violence on our behalf, but that does not make it right. We owe a huge debt of gratitude to those who served and those who continue to serve, but we owe them more: we owe them our best efforts to avoid waging war in the first place.

Graham Evans: As this debate is about the Somme, I thought the hon. Lady would like to join me in paying tribute to the Australian armed forces that fought so superbly at Pozières. Not only is there a fantastic memorial there, but soil from Pozières was used for the burial of the Australian unknown soldier in Canberra.

Deidre Brock: I thank the hon. Gentleman for making that point and I appreciate his raising it at this time, but I hope that I have already paid tribute to the Anzac soldiers in my comments.

Those who fought in previous wars should be remembered, and those who defend us now should be honoured and paid well. Those who come back from the battlefield injured should be looked after, and their rehabilitation and long-term care should be shouldered completely by the Government, not simply by charity. A century after the carnage of the Somme, we still send young people into harm’s way. The very least we can do is to treat them well.

Bob Stewart (Beckenham) (Con): All the belligerents—the Germans, the French and we the British, too—thought the year 1916 would be one for decisive results. The Germans felt that they could severely knock out the French. I think that is right, but I would ask my right hon. Friend the Member for Broadland (Mr Simpson) whether it is. He taught me at Sandhurst, although I was asleep most of the time. The Germans believed the French were slightly weaker than the British and that knocking out the French would bring the British to heel and sort out the problem.

As my hon. Friend has already hinted, and I will continue on the same theme, that caused the Battle of Verdun, which started on 21 February 1916. The Germans and the French went at it in that fortified town, and it went very badly for our allies the French. My wife’s French family have a biscuit tin filled with various medals—the Légion d’Honneur, the Croix de Guerre and the Medal Militaire—which were gained by her family at Verdun. All 11 of them were killed. Now the family does not even know to whom the medals were awarded. As my hon. Friend stressed, Verdun was hell
on earth. Unsurprisingly, the French General Joffre, as allied commander-in-chief, pressed his British allies to take the pressure off Verdun by a massive attack in our sector. Our commander-in-chief, General Haig, wanted to delay until August, but Joffre was insistent, and thus the Battle of the Somme started on 1 July.

In his book, “Britain and Her Army”, the military historian Correlli Barnett wrote that “the British army in France by 1916 was the largest, most complicated, and most comprehensive single organisation ever evolved by the British nation.” and that no peacetime operation in either Government or private enterprise could begin to compare with it. But all that organisation was to count for nought and would be largely annihilated by what was to happen.

On the Somme, German positions were mainly on the high ground, and they had incredible shelters, some of which were as deep as 30 to 40 feet underground. British preliminary bombardments had started a week earlier but with not as many shells as we had hoped, and they had little effect because the Germans were relatively safe deep underground. As the bombardment ended, the whistles blew and our men started moving across the no-man’s-land, which could be up to a mile wide and was in full view of the enemy.

The attack started at 7.30 in the morning with whistles blowing up and down the line—I think we will replicate that at 7.30 am in many of the commemorations on 1 July. Four battalions of my regiment, the Cheshires, went over the top in that first assault. Day one was a total failure—well almost; a little bit of the German line went over the top in that first assault. Day one was a total failure—well almost; a little bit of the German line was captured. Estimates vary, but about 20,000 men were killed and 60,000 wounded. The carnage was enormous. A company of the 5th Cheshires lost every officer and all its men—they stood no chance.

Today I do not suppose that we can even get near to understanding how difficult it must have been to keep going through the oozing mud, wire and shell holes when one’s closest friends were dropping all around, often in agony. The effect on our soldiers must have been utterly horrific. Let me read what I say at all military funerals that I have attended, and quote the words of Padre Geoffrey Studdert Kennedy, who was known as “Woodbine Willie” by all the men:

“There are many kinds of sorrow in this world of love and hate but there is no keener sorrow than a soldier’s for his mate”.

I will end with a little story that links today with 100 years ago. In 1982, when I was a terribly good-looking young major—[ Interruption. ] Thank you— I wanted to lighten the tone. In 1982 as a company commander in Northern Ireland, I lost my company when six of my men were killed and 35 wounded. Those were not quite the casualties that the Ulster Division had, but it was not far off and—as in the first world war—it took place in one incident: the Ballykelly bomb. I had not only to be the incident commander through the night, but it took me six hours to identify my men. I then had to bring them home, and they were all buried within the boundaries of Cheshire.

As I came out of St George’s, Stockport, after the second funeral I had been to in that church that week—this must have been just before Christmas 1982—I saw an old lady who was crying. I crossed the road and put my arms around her. I am afraid, ladies, I am a bit of a dinosaur and I said to her, “Don’t worry, darling, he’s out of his pain.” She said, “You don’t understand, young man.” In my mind I was thinking, “I bloody well do understand. I held him as he died.” I did not say that, but she read my mind. She said, “No, you clearly don’t understand. When I was a little girl, I stood on this spot and watched 800 men of the 6th Cheshires go into that church. When they came back from the Battle of the Somme, they filled three pews.”

6.56 pm

John Nicolson (East Dunbartonshire) (SNP): Over the past decades the Battle of the Somme, and the first world war more generally, has passed from living memory to shared national history. Those who experienced it first-hand the horror of fighting in the trenches are no longer with us. Their children, who were brought up in the shadow of the war fully aware of the huge impact it had, are falling in number. For the majority of us now, the Battle of the Somme is something impersonal. We read about it in school textbooks, and those who perished on the battlefields of France are remembered perhaps too often as numbers, rather than as the people they were.

Everybody knows that nearly 20,000 British soldiers died on the first day of the battle, 1 July 1916, and that by the end of the battle, in November 1916, over 1 million men had either lost their lives or been injured. Few of us, however, can comprehend the huge sense of loss and devastation that engulfed the country at the time of the tragic battle. In every city, town and village, mothers, wives, daughters and sisters received news of their sons, husbands, fathers and brothers who had suffered or had died. No community was left unscathed by the battle.

At the time of going to war in 1914, the regular professional British Army was already Scots-heavy and it was supplemented by volunteers as the war got under way. There were 4.6 million Scots, comprising less than 10% of Britain’s pre-war population, yet they made up 13% of the volunteers in 1914 and 1915. A total of 147,609 Scots lost their lives in the four-year conflict between 1914 and 1918. Scotland’s soldiers accounted for a fifth of Britain’s war dead, although Scots were only a tenth of Britain’s population.

At the Battle of the Somme, the casualties, as a percentage of the British Army total, did not include as many Scots as at the Battle of Loos the year before, where one third of the casualty list served in Scottish regiments. However, the number of Scottish troops who took part was considerable. Three Scottish divisions took part in the battle and many other battalions were involved. Many of these battalions were volunteers known, as we have heard, as the Pals battalions. They were particularly affected by the battle. One of these was the 16th Royal Scots, which became known as McCrae’s battalion, after the charismatic Lieutenant-Colonel Sir George McCrae, who rallied the men of Edinburgh to enlist beside him. It is also known as the sporting battalion, after the whole of Heart of Midlothian football team joined up. Prior to enlisting, the Hearts team were taunted for continuing to play football rather than supporting the war effort, with a letter in the Edinburgh Evening News stating that they should adopt the nom de plume, the White Feathers of Midlothian. However, when the team committed themselves to the war, the same paper declared:

“There is only one football champion in Scotland, and its colours are maroon and khaki.”
They were followed by professionals from other football and sporting clubs and their supporters. McCrae's battalion was one of many to go over the top on the first day of the Somme. Some of the battalion managed to fight through, capturing the strong point that became known as the Scots redoubt. Others made it to the village of Contalmaison—the deepest penetration of the German front lines that morning—but few of them lived to tell the tale. By the end of the day, the battalion had lost 12 officers and 573 soldiers. Three-quarters of the 16th Royal Scots were killed and wounded on 1 July. A distinguished conduct medal, three military crosses and seven military medals were awarded to the bravest of McCrae's men.

That was not the only Scottish battalion to show remarkable bravery at the Somme. On the morning of the battle, David Laidlaw, who was commanding the 16th Highland Light Infantry, commented that his men were “singing and whistling as if they were going to a football match instead of one of the most serious encounters in the world's history.”

Despite losing 20 officers and 534 men on the first day, three platoons held out for eight days against ferocious German attacks after being isolated following an attack on a trench called the Frankfurt. There was no military worth in holding out for so long, but it said everything about their bravery and heroism that they did so.

One soldier to show heroism at the Somme was John Meikle, born in Kirkintilloch in my constituency of East Dunbartonshire. Like many others, he was so anxious to join up at the beginning of the war that he lied about his age and fought at the Somme aged just 17. Despite his extreme youth, he quickly rose up the ranks and survived the battle. Sadly, he was killed two years later at the second Battle of the Marne. To mark his death, a commemorative plaque in his honour will be laid in Kirkintilloch in two years’ time. John is thought to be one of the youngest-ever recipients of the Victoria Cross and is one of only 25 men under the age of 20 to receive the award. After his death, his family did not attend the official presentation of his Victoria Cross at Buckingham Palace. Why? They were unable to afford the associated expense of new clothes and accommodation in London. Instead, they chose to receive the decoration during a local parade in Glasgow.

Unfortunately, that was an all too familiar story for those who lost close family members or for those returning from the battlefield. While they were promised a land fit for heroes by the then Prime Minister David Lloyd George, the reality was very different. In many towns and villages, the male populations had been wiped out. The profound effects of mental and physical injury left many soldiers incapable of adapting back into society. Unemployment was rife, and half a million decent homes to be built by 1933 did not materialise.

My grandfather, John George Stant, was one of those who volunteered and served. His letters home to his mum in Scotstoun in Glasgow, written in immaculate copperplate, with a signed oath on each envelope, spell out his hopes and fears—absurd optimism giving way to grim despair. The job that was promised to him was not there in reality, so he decided not to return home. There was little choice but to join the army of occupation marching into Germany, where he was billeted with a kind family in Cologne. They left him a present under their Christmas tree that year, as he told his mum in a letter.

My grandpa survived only to be killed by a German bomb in the Glasgow shipyards 20 years later, but many did not get those extra 20 years. The chaplain at the Somme wrote a letter to the parents of Peter Logan of Milingavie, who was killed on 20 July 1916. He said:

“It is some help to bear your heavy loss to know that he was doing his heroic bit in this battle and that he had made his great sacrifice for a cause that stands for everything we hold dear.”

Tragically, despite such great heroism and sacrifice at the Somme and throughout the first world war, the devastation left behind, the failure to build a new Britain and the inability to build a lasting peace in Europe meant that the sacrifices were often in vain, and many who survived found themselves battling on the home front just 20 years later.

We must never forget the horrors of war or the personal stories that go with it. As many at the Somme and those left behind found out, the devastation of war far exceeded the glory. The Battle of the Somme will be forever etched into the national memory of villages, towns and cities throughout these islands and Europe, especially as we mark the battle’s centenary this week, but if we do just one thing we must remember this: it is easy to stand up in the House, make grand speeches and pay homage to those who died, but the best memorial to them would be if everyone here were to think very carefully before casting a vote for war and be absolutely certain that they have the best interests of our troops at heart and are protecting them and their lives.

7.6 pm

Jeremy Quin (Horsham) (Con): It is an honour to follow the moving speech from the hon. Member for East Dunbartonshire (John Nicolson) about the Scottish regiments’ contribution to the Somme and about what we should always bear in mind in the House when we commemorate the dreadful events of 100 years ago.

It is right that we commemorate the Somme on 1 July. We will be doing so in my Sussex constituency of Horsham, in the town itself, in Crawley Down and in other villages and towns around the constituency. My hon. and gallant Friend the Member for Beckenham (Bob Stewart) referred to the battle beginning on 1 July, but of course the preceding artillery barrage started on 24 June—[Interruption]—as he is now reminding us. The barrage grew in intensity until, by 1 July, it could be heard on the Sussex coast.

The Somme campaign involved a series of related engagements, however, and it is on one of them that I want to touch briefly. Even before 1 July, some of our forces were going over the top. A diversionary attack was launched on 30 June, the day before the battle, at 3.5 am. It took place away from the Somme, in the Richebourg sector, at an emplacement known as the Boar's Head, and was designed to persuade the Germans that the real thrust was coming from elsewhere. It was conducted by three battalions of the Royal Sussex Regiment—the Southdown Battalions; the 11th Battalion, in a support role, suffered 116 casualties; the 12th Battalion suffered 429 casualties; and the 13th Battalion, which was destroyed, suffered 800 killed, wounded or captured.
In that engagement, which lasted five hours, no fewer than 12 sets of brothers were killed. The battle mimicked what would happen the next day on the Somme. In horrific fighting, the troops advanced on prepared positions and captured the frontline. In fact, they captured a notice, written helpfully in English, that read, “Welcome Sussex boys. We’ve been waiting days for you”. The battle followed a three-day artillery barrage. They held the frontline and penetrated right through to the support trenches, which they held for four hours, before a complete shortage of ammunition forced them to withdraw. There was terrific heroism. The company sergeant major, Nelson Carter, was awarded a posthumous Victoria Cross.

The people of Sussex know that, for understandable reasons, their battle will always take second place to the carnage the following day on the Somme—the battle of Boar’s Head does not even feature in the official history of the war, despite the losses and the valour—but in proposing today’s motion, my hon. Friend the Member for South West Wiltshire (Dr Murrison) mentioned that one of the many emotions that went through our soldiers’ minds as they went over the top was pride in their neighbourhoods. I wanted to put it on the record that the neighbourhoods and the county of Sussex still take huge pride in those men. Sussex will always remember 30 June 1916 as the day that Sussex died.

7.9 pm

**Jim Shannon** (Strangford) (DUP): It is a pleasure to contribute on this issue. As the hon. Member for South West Wiltshire (Dr Murrison) clearly outlined in his introduction, in the Province of Ulster or Northern Ireland as it is now, we remember with great pride the courage of our forefathers at the Battle of the Somme. I would also like to thank the hon. Gentleman for the overseeing work that he has done for the whole of the United Kingdom in the commemorations for the first world war.

My right hon. Friend the Member for Lagan Valley (Sir Jeffrey M. Donaldson) is not in his place, but it is only fair to put on record on behalf of the MPs and the people of Northern Ireland our recognition of the energy, drive and leadership of my right hon. Friend as the chairman of the Northern Ireland First World War Centenary Committee. Many events taking place today are happening because of his leadership. He would always say that it was due to those around him, but the fact of the matter is that he is the Michael O’Neill of this first world war commemorative committee.

It would be remiss of me not to mention the hon. Member for Beckenham (Bob Stewart). I want to put it on the record that he spoke most gallantly. We in Northern Ireland want to thank him very much for his leadership and heroics. He will not take it lightly, but we mean it. I thank him for all he did in uniform for Northern Ireland and for helping to make it a better place today. I thank him so much for that, which is something I have always wanted to say publicly in this Chamber; it is only right that we should do so.

As the diktat of home rule loomed, Ulstermen and women organised their resistance. From 1910, the leadership of the Ulster Unionist Council had been persuading the Dubliner, Edward Carson, to become their leader. In 1911, he wrote to James Craig that in return for his leadership he wanted to satisfy himself that the people really meant to resist: “I am not for a game of bluff and, unless men are prepared to make great sacrifices which they clearly understand, the talk of resistance is useless.”

Under the leadership of famous Lord Carson among many others, Ulster stood up and backed up her defiance with a willingness to fight. Up to half a million signed the Ulster covenant, signalling their intent to resist home rule by all means necessary, and over 100,000 signed up to join the Ulster Volunteers, should such means of resistance become necessary.

From where I am from in Strangford, I can see the Helen’s Tower where the 36th (Ulster) Division trained. It is always good to remember that. Just three weeks ago, the Orange institution of which I am proud to be a member in the fourth district of Newtownards paraded on the same route that the men marched down after their training at Helen’s Tower before they went off to Newtownards to catch the train to go to fight in the first world war and the Battle of the Somme. Wearing a different hat as a mayor back in 1991 and ‘92, I had the opportunity to visit the Somme, and I will always remember the youth of those who died so clearly for a cause, as they did.

At a rally in the Ulster Hall, Fred Crawford, who had been keen on obtaining arms to challenge home rule from the mid-1890s, stated: “I predict that Home Rule will never be killed until we show any British Government which brings it forward that we will resist to the death, even with arms if necessary”.

But soon, a foe beyond our shores would raise its head. This is pertinent to last week when the Ulster boys were making all the noise at the Euros; 100 years ago, our boys were sent off to France. Without fear, reservation or doubt and with no uncertainty in their conviction, our boys went off to fight for King, country and empire. Their presence alone turned heads before a shot was even fired.

In July 1915, the division moved to Seaford on the Sussex coast of England. This was the first time that many of the men had been outside their native land. Lord Kitchener inspected the division there on 27 July 1915, and later remarked to Carson: “Your Division of Ulstermen is the finest I have yet seen.” Off to France our 36th Ulster Division went—and in the finest spirit and as finely trained as they could be.

In March 1916, the sector of the front held by the Ulster Division was extended to cover an area south of the river called Thiepval wood. This wood, the name of which would become indelibly linked to the Province of Ulster, served as a base until the commencement of the Battle of the Somme on 1 July 1916. Thiepval comprised an area of some 100 acres of deciduous forest and was criss-crossed with deep communication trenches leading to the front line. Dugouts were excavated from the chalky earth and provided some shelter from the German artillery.

Food stores and ammunition dumps were also constructed in the wood, and it was near one of those dumps, on the morning of 1 July, that Rifleman William McFadzean, of the 14th Royal Irish Rifles (Young Citizen Volunteers), won immortal fame when he was awarded a posthumous Victoria Cross for an act of courageous self-sacrifice. Last Saturday, in my constituency, we unveiled a new commemoration garden and a new monument to the 36th (Ulster) Division, 100 years after the event, and we mentioned the four VCs that were won by members of that division.
[Jim Shannon]

Thiepval wood housed the four battalions of 109th Brigade. The River Ancre divided the 108th Brigade, with two battalions in the wood and two in the village of Hamel. Divisional headquarters were at Aveluy Wood, which also housed the 107th Brigade.

On 1 July 1916, as the morning mists cleared away, the assault waves of 130,000 British infantry called their rolls and checked their arms and ammunition. Each man was in “fighting order”, and given the extra burden of shovels, grenades, a Stokes mortar bomb, wire cutters, a gas mask, a prepared charge of explosives for cutting gaps in wire and other obstacles, many of them were carrying up to 90 lb. At 7.30 am, zero hour, the artillery barrage lifted off the first German line and moved on to the second. That was the first employment of the so-called rolling barrage. Steel-helmeted and with bayonets fixed, the infantry left their trenches and advanced. A senior officer wrote to The Times of the Ulster Division:

“It was done as if it was a parade movement on the barrack square”. They were closely packed in rigid lines, the military doctrine of the day being that they should swarm on to the enemy trenches as soon as their own artillery had lifted, but that stiff formation prevented the use of cover and inhibited initiative. Thousands of Ulstermen reportedly dumped supplies so that they could be as fast and as agile as possible.

From 1915 until 1918, the 36th Division was commanded by Major-General Oliver Nugent, a general of distinction. The 36th was one of the few divisions to make significant gains on the first day on the Somme. It attacked between the Ancre and Thiepval against a position known as the Schwaben redoubt. We are told that the leading battalions of the division

“had been ordered out from the wood just before 7.30am and laid down near the German trenches ...At zero hour...blew the 'Advance'.”

It is said that many of those Ulstermen wore their orange sashes when they went over the top. The pipes do—and they advanced out of their trenches full of rolls and checked their arms and ammunition. Each

“They were closely packed in rigid lines, the military doctrine of the day being that they should swarm on to the enemy trenches as soon as their own artillery had lifted, but that stiff formation prevented the use of cover and inhibited initiative. Thousands of Ulstermen reportedly dumped supplies so that they could be as fast and as agile as possible.

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“had been ordered out from the wood just before 7.30am and laid down near the German trenches ...At zero hour...blew the 'Advance'.”

It is said that many of those Ulstermen wore their orange sashes when they went over the top. The pipes were skirling—the Ulstermen loved the pipes, as we still have, and as agile as possible.

At first, south of the Ancre, everything went well, and the 108th and 109th Brigades moved over the German trenches with few casualties. Scarcely were they across, however, when the German batteries opened a barrage on “no man’s land”.

Bob Stewart: Thank you, Mr Speaker, for allowing me to intervene on my good friend. I seem to recall that an officer rallied the troops with the very appropriate battle cry for the moment, “No surrender”.

Jim Shannon: The hon. Gentleman has said it for me. I thank him for the benefit of his knowledge, as always.

Simultaneously, the resolute German machine-gunners, who had remained safe from our bombardment, sprang up from their shelters, pulling up their guns and heavy ammunition boxes, and raked our men from the flanks and the rear, thinning the waves of soldiers. Many officers fell, and the men went on alone.

The Ulster Division’s position was now a vulnerable salient in the German line, a few hundred yards wide and raked by German fire. At dusk, a powerful counter-attack by fresh German troops drove our men, almost weaponless, back to the second German line, which they held all the next day until they were relieved at night by the troops of the 49th Division. They withdrew, having suffered horrendous casualties. The Inniskillings lost more men than any British regiment had ever lost in a single day. Of the 15th Battalion Royal Irish Rifles, only 70 men answered a roll call on that night of 1 July. The total number of British casualties on that first day was 60,000. Many homes were affected in my constituency, in Ards and Comber, in the borough of Ards and North Down, and there are many memorials there to lost loved ones and to the injured. Families lost brothers, sons, fathers and uncles. Some families lost two of their members, and some lost three. The losses were horrendous.

Through no fault of their own, the blinding success that the Ulstermen had achieved had not been exploited, but the Battle of the Somme had inflicted on the Germans a wound from which they never fully recovered. I love this statement by Captain Wilfred Spender of the Ulster Division’s HQ staff, which was quoted earlier by my right hon. Friend the Member for Lagan Valley. It was reported in the press after the battle The captain said:

“I am not an Ulsterman but yesterday, the 1st. July, as I followed their amazing attack, I felt that I would rather be an Ulsterman than anything else in the world.”

He further stated:

“The Ulster Division has lost more than half the men who attacked and, in doing so, has sacrificed itself for the Empire which has treated them none too well. The much derided Ulster Volunteer Force has won a name which equals any in history. Their devotion, which no doubt has helped the advance elsewhere, deserved the gratitude of the British Empire. It is due to the memory of these brave fellows that their beloved Province shall be fairly treated.”

In serving King and empire, the men of the Ulster Volunteers had in their incredible bravery in the 36th secured Ulster’s place within the United Kingdom. Let us never forget their sacrifice and let us live with the same vigour and valour that they did show.

Several hon. Members rose—

Mr Speaker: Order. If all remaining colleagues who are interested in speaking in the debate are to be accommodated, each needs to be speak for no longer than six or seven minutes because we must have the winding-up speeches, and hopefully there will be an opportunity for the hon. Member for South West Wiltshire (Dr Murrison) to wind up.

7.20 pm

Julian Knight (Solihull) (Con): It is a great privilege to follow the hon. Member for Strangford (Jim Shannon). July 1 1916 was the bloodiest day for the British Army and the start of our bloodiest battle. As nations applied the lessons of the industrial revolution to the battlefield, there were casualty rates of 20,000 a day—60,000 casualties on the first day—and nearly 1 million men were killed over the course of the several months of the battle. Those rates are slightly numbing. How do you put faces
to close on 1 million men? How can you prevent so many tragedies from becoming, as the saying has it, mere statistics?

In my constituency of Solihull, we have a strong connection with our history—many Members have reflected on the history of their own constituencies. On 1 July, the mayor will be hosting our borough’s own commemoration of this pivotal battle, next to a replica trench in the grounds of Kingshurst academy. That will bring history to life for a new generation. I always find with younger people that they have a real, deep respect when faced with the sacrifices of our forebears and have real empathy for what they went through.

I would like to pay tribute to the men and women from my community who paid the ultimate price during the Battle of the Somme and during the Great War. There is not time enough to list them all: 24 Solihull men—Silhillians—died on the first day of the battle, and 127 would die before it concluded in November. Solihull was a very small place then in comparison with now, so we can imagine the impact on the community. Many hon. Members have mentioned that in relation to their own communities. These were people everyone knew. I remember the names I have seen and taken note of on the local war memorial: William Bolton, Charles Frost, Charles Haynes, David Jelfs, Clive Latch and Claud Wilks. Also listed are three members of the same family: Albert, Henry and Sidney Britt, all of whom served and died during the Great War. We are very lucky to live in a country where it is difficult to imagine any family suffering so terribly in a war. However, perhaps these days such things are becoming all too more frequent in our civilian lives.

For every man who died, another came home with life-changing injuries to a society ill prepared for them. This centenary offers us an important opportunity, amidst the sadness and respect, to recognise how far we have come in our treatment of veterans. This is not just about medical science, although that has come an astonishing distance since the Somme, as society has applied the same innovative genius to healing men as it once did to killing them. It is also about our much greater understanding of the mental and spiritual traumas that war inflicts on those who serve.

I am pleased that our country is making great strides towards improved mental health support for our servicemen and women, but we still have a long way to go and for many years our progress was too slow in that regard. I always think it is a great shame in our society that many of those who are homeless are former armed services personnel. I will do my best to support those efforts in my role as a Member of Parliament.

Of course, the age of total war meant that the wounds and risks were not borne by soldiers alone. A huge number of courageous men and women on all sides served in medical and technical positions, which were essential to the war effort. My right hon. Friend the Member for Broadland (Mr Simpson) mentioned that many of the shells fired at the Somme were dud. It was very much a testament to the women of this country working in the munitions factories that they made such a difference in improving the quality of the armaments, thereby helping to deliver victory. So let me pay tribute to them now, especially to the extraordinary women who overcame great prejudice to play their vital part.

Even before the sheer scale of the slaughter, the authorities had invited them to serve in a wide range of important roles.

Events like this centenary remind us not only how lucky we are to live in an age when mass mechanised warfare is seemingly not imminent but of the incalculable debt all of us owe to the men and women of our armed forces today.

7.25 pm

Danny Kinahan (South Antrim) (UUP): It is an honour to follow the thoughtful speech of the hon. Member for Solihull (Julian Knight) and it is good to be speaking today. I am particularly grateful to the hon. Member for South West Wiltshire (Dr Murrison) for securing this debate.

It is also slightly embarrassing to think that the right hon. Member for Broadland (Mr Simpson) talked about those of us who might have been sleeping at Sandhurst in the ’70s while he presented his lectures. I do remember the lectures from him and John Keegan. They were lectures where someone could stand and speak and, although we were exhausted, keep our attention all the time; they were fantastic, and I am sorry the right hon. Gentleman is not in the Chamber at the moment.

I also thank all those who worked in Northern Ireland, particularly the right hon. Member for Lagan Valley (Sir Jeffrey M. Donaldson) for all the hard work he has done with the centenary committee and all the work that has gone into pulling everything together in Northern Ireland. This is sounding rather like a wedding speech with lots of thank yous. I also thank my colleague the hon. Member for Strangford (Jim Shannon) for going into the history and detail because it saves me from having to do so. I knew that both of them would be speaking before me.

One thought always runs through our minds when we have gone to the Somme and have stood in the trenches. I sit there as an ex-member of the armed forces and think, “Could I have done it? Could I have led men out of those trenches on the sound of the whistle?” The answer has to be yes, but with knees knocking, and worry and concern. I think we all learned something from those battles—it has come all the way through the military to today—about how we look after each other and work together. They were heroes and people we should all be saluting.

I also remember from my time at Sandhurst going to the memorial chapel. I was brought up on the basis of the Somme and the Ulstermen, but I remember sitting by a pillar for, I think, the Middlesex Regiment, and looking at the names of a family called Usher, of whom there were, I think, some 12, all killed. We have already heard of the Pals battalions. This brought home to me that it was not just Ulster; it was the whole of the United Kingdom; it was everybody giving their blood so that we could have our freedom in the future. That really ran through me and made me realise how brave they had all been.

We have heard much about the Ulster Division, but we have not really made the link on our side to the fact that the Easter Rising was the same year. The Ulster Volunteer Force, which became that Ulster Division, was in France and Belgium to stand up for the freedom of Ulster, and while they were there, all the wrong
things were happening at home. I would like to thank the Irish Government for all the work they have done this year with the centenaries—the wonderful work to mark them all in absolutely the right way. That has been exemplary.

Bob Stewart: I am only going to repeat something I have said in this House before, but it is terribly important. The men from the north of Ireland—Northern Ireland—and from the south of Ireland together got more Victoria Crosses than the Scots, the English and the Welsh put together. They were incredible.

Danny Kinahan: I thank the hon. Gentleman for that comment. It is so true, and perhaps it shows that our wish to fight has always run through us strongly. It shows how brave they were.

We also had the honour of the Queen unveiling the statue of Robert Quigg, which was touched on earlier. It is wonderful that he is being remembered. He went out seven times to pull back those who were injured when looking for his previous employer, an officer who was never found. He, however, survived the war. He was one of the few VCs to do so.

As I wonder whether I could have gone over the top, I must point out that every person who did so was brave. Everyone who went over the top and into those guns deserves to be remembered, not just those who got the medals. It is also poignant that the Irish were there with us all the way through, and we must always mark their bravery. We must remember everyone together.

When I started in politics, I went to the Somme with the various bonfire groups from my local town. Watching people standing to attention like ramrods in front of the graves of their grandfathers really brought it home to me that this was their battle and that they were proud of it. That is what we should all remember today. On Saturdays, when I can, I go to the Ballyclare Comrades football club, which has a historical connection with the 12th Irish Rifles, who were said to have played football between the trenches. I am never quite sure whether it is true that they were the ones from the story, but that is always what is said. Today, let us all remember everything. Walter Lord, in his book on the Titanic, said that when questions were being asked afterwards, the need to look after the third class passengers was raised. The first world war also brought home the fact that we had to look after everyone and that every life mattered.

7.31 pm

Martin Vickers (Cleethorpes) (Con): I welcome the opportunity to take part in the debate. It is entirely appropriate that, within our commemorations of the Great War, we take particular note of the Battle of the Somme. I want to highlight the role of my local Pals battalion, which was raised in the Grimsby and Cleethorpes area. It was not unique, in that young men up and down the country were signing up, but it was unique in that it was known as the Grimsby Chums. “Chums” has a rather old-fashioned sound to it these days, but the name emphasises the camaraderie that was needed by our serving forces.

Kitchener was appointed on 6 August 1914. He said that he did not believe that this would be a short war that would be over by Christmas. The Army at the time was 450,000 strong, but 118,000 were serving in India and elsewhere in the empire. However, we had 250,000 territorials. Kitchener was determined to get millions into uniform, and on 7 August he launched his campaign to recruit 100,000 men. The response to his appeal was unprecedented, and the system was overwhelmed.

In Grimsby and Cleethorpes, as elsewhere, local dignitaries stepped in with offers of help. Kitchener agreed to the formation of the Pals battalions. They had certain things in common—recruits’ work, background or the town where they lived—and 304 such battalions were formed. On 9 August, Alderman John Herbert Tate, the Mayor of Grimsby, received a telegram advising him that he had been appointed by the War Office to take charge of local recruitment. The patriotism and determination of the local men from Grimsby, Cleethorpes and the surrounding district were never in doubt. Grimsby had never been a garrison town. Until the time of the Great War, it had been relatively small and had only recently been transformed into a major fishing town. That industry was to expand to make it the greatest fishing port in the world.

The opportunity for adventure and to become a soldier of the empire was irresistible to many. Alderman Tate appointed George Bennett, a local timber merchant, as acting commanding officer. Bennett was a retired captain from the 1st Lincolnshire Royal Garrison Artillery (Volunteers). A permanent CO was subsequently appointed: step forward Lieutenant Colonel the right hon. George Edward Heneage. Plucked from retirement, he answered the call. His father, Lord Heneage, had been Grimsby’s MP and was subsequently high steward of the borough—incidentally, a position now held by our former colleague Austin Mitchell. The name “Chums” appeared in print on 11 September 1914 in the Grimsby Daily Telegraph. The term was taken up by the redoubtable Lady Eugenia Doughty, wife of Sir George Doughty, who was Grimsby’s MP and owner of the said newspaper. Wouldn’t it be nice for present-day MPs to own their local newspapers? Think of the headlines we could get.

Initially, there were no uniforms or cap badges, but they gradually took shape. Recruitment was encouraged by headmasters at local schools. Clee Grammar and St James’ School in Grimsby were prominent among them, but also in the local area was the grammar school at Louth. In an effort to establish a more permanent camp, Alderman Tate approached the Earl of Yarborough, whose Brocklesby estate lies just 10 miles out of town. His lordship was pleased to agree to the request. The months passed, but the battalion was eventually to leave Brocklesby in May 1915. Before it headed south, it marched through the streets of Grimsby and Cleethorpes, with thousands lining the route. More training and preparation followed before the battalion departed for France on 4 January 1916.

The early months were but preparation for what was to follow. As the Battle of the Somme approached, officers were confidently telling men that the enemy could not survive the “big push”. The Somme assault was the first attack on prepared German positions that had been held since September 1914 and was designed to reduce pressure on French troops at Verdun. On
1 July 1916, the 101st Brigade, as part of the 34th Division, within which the Grimsby Chums were found, was situated near La Boisselle. The Chums were ordered to take the town. As the attack began, a mine was to be detonated and the Chums were ordered to occupy the crater itself. Rum was issued to the troops at 4.30 am and they moved into their positions. The mine was detonated and the attack started at 7.30 am. However, the two-minute wait between the explosion and the attack was long enough for German gunners to set up machine guns and aim at the British lines.

The Chums were forced to begin their attack from the communication and reserve trenches due to the size of the explosion and the danger of falling debris, adding 150 yards of unprotected advance before the British front line was even reached. From this point, the Chums had to advance across 500 yards of no-man’s land. Three companies were sent into the attack, advancing in four lines and walking slowly through no-man’s land. The idea was that the enemy had been weakened by a combination of mine and artillery bombardment. In a description by the commander of the 34th Division, the men “advanced as on parade and never flinched.”

One description stated that “it was wonderful the way they were dropping in perfect coordination. But then I noticed they were not getting up. They were being dropped by bullets.”

The men were almost immediately mowed down with no gains made. By noon, it had become apparent that the main German trench was intact and German weapons were still functioning. The Chums were involved in other actions, suffering many hundreds of casualties.

When the war ended in November 1918, the colours of the 10th (Service) Battalion the Lincolnshire Regiment were handed over to the St James church in Grimsby—now Grimsby minster. Parades were held for the remaining men of the battalion. The young men of Grimsby and Cleethorpes had stepped forward in 1914, as they would again in 1939, and they did not flinch. They stepped forward to serve King and country. Of course, a sense of adventure played its part, but patriotism and pride in their country and a determination to protect freedom were also in their thoughts. Between 1916 and 1918, the Chums fought in six major engagements. Some were successful, but others were appalling defeats. At the Battle of the Somme, 15 officers and 487 men were declared killed, missing or wounded. That pride and patriotism were on display again only four days ago when Cleethorpes hosted the national weekend event to honour our forces. Cleethorpes attracted 120,000 people to honour our forces.

Many Chums who survived the horrors of war rose to positions of leadership in the local community. On 14 August 1918, Charles Emmerson wrote in his regimental diary: “There is not another battalion like the 10th Lincolnshire and there never can be.”

They were the town’s best and bravest.

In his book “Grimsby’s Own”, local journalist and writer Peter Chapman concludes by stating he hopes that Grimsby—I would add Cleethorpes and district—will never forget those who came home with their memories and those who gave their lives in the 10th (Service) Battalion. May that be so. Grimsby and Cleethorpes are proud of the Chums. We honour them today and always.

7.40 pm

Graham Evans (Weaver Vale) (Con): I pay tribute to my hon. Friend the Member for South West Wiltshire (Dr. Murrison) and the hon. Member for Barnsley Central (Dan Jarvis) for securing this debate.

I grew up with the Somme. My grandparents and great grandparents served on the Somme. My neighbours in the council estate in south Manchester where I grew up served on the Somme. I used to speak to them as a very young man. I have a great uncle who was named after the Battle of Verdun. I have walked the Somme and cycled the Somme. I took my girlfriend round the Somme, visiting the battlefields. She is now Mrs Evans—I know how to treat a girl.

I thank my right hon. Friend the Member for Broadland (Mr Simpson) for putting this battle into historical context as only he can. We had friends—they were the French, the Russians and the Italians. As he ably said, we were planning an attack to kick the Germans out of territories in Belgium and France. However, the Germans struck first. They took Verdun, which was critical to the French, who were being bled white. Our allies and friends called on us to join the attack, but we were not ready. The Somme was not the area or the time of our choosing, because our Army was a citizen army and only half trained. None the less, we chose to help our friends then. If we were called on today, 100 years later, to vote in this House on such action, would we as politicians go to the aid of our friends and neighbours?

If members of NATO were attacked in the same way, would we go to their aid? I do not have an answer to that.

Bob Stewart: I have—yes, we would.

Graham Evans: I am glad to hear it.

Let me go back to the Somme and how it affects our communities. If Members go to a war memorial in their constituency, they will see names such as Thomas, James, Harry and George. If they then go to their local primary school and look at the children’s coat pegs, they will see Thomas, James, Harry and George. Those forebears grew up in our communities 100 years ago. If they were here today, they would recognise those communities. It is important to remember that they were once young people who sacrificed their lives.

I have a couple of examples from Weaver Vale to read out before I give others a chance to speak. The Norley wildflower walk is about the men of Norley. Eighty-seven served in the first world war and only 77 returned, which meant that 10 were killed. The community looked at where those men lived. Norley is a classic Cheshire village—a beautiful little village. People can walk around the village and see shrines made up of wild flowers commemorating those 10 men of Norley, three of whom died on the Somme. That is an indication of the significance of the Battle of the Somme. The three men were: Lance Corporal Samuel Grindrod, aged 25, who joined the East Lancashire Regiment; Private Arthur Rutter, aged 25, who joined the Manchester Regiment; and Private Edward Parrot, aged 20, who joined the Cheshire Regiment.
and was killed on 5 September. By coincidence, my parliamentary researcher realised that her great granddad—a chap called Bernard Quigley—was killed in the same battle as Edward Parrot.

When I visited the Somme with my family, we tasked our children with finding Bernard Quigley’s grave. It is in the big Serre Road cemetery on the Somme. It is always sad to hear the personal stories. Bernard had three children. When he went off to fight, his wife was pregnant. She died in childbirth and the four children were orphaned. That shows the tragedy that that war brought to so many.

Todger Jones served in 1st Battalion the Cheshire Regiment. Todger was a great man, although diminutive. In photographs his rifle and bayonet look bigger than him. What did Todger do? The Germans were shooting at Todger and his comrades. Against orders, he decided to take the German sniper out. He jumped into the trench and shot three Germans very quickly, firing from the hip—he had learned to shoot his Lee-Enfield from the hip. Little did he know that there were 150 Germans; they took one look at Todger and went into their dug-out. He took 150 Germans prisoner and earned the VC.

Todger received the VC at Buckingham Palace during the first world war and went to Runcorn and told the people that he dedicated his VC to his comrades on the front line. Despite what we have said about the horror, all he wanted to do was to go back and serve on the front line. He earned a DCM for an act that, in my view, was even braver than the one for which he earned the VC. That says something about the character of the British nation. I was pleased to raise funds for a magnificent bronze statue of Todger in Runcorn.

The hon. Member for Barnsley Central (Dan Jarvis) is a great Yorkshireman. The memorial of the Serre massacre is in the Sheffield memorial park. That is a misnomer because, as the hon. Gentleman knows, it commemorates the contribution of not just Sheffield, but Barnsley, Accrington and Chorley. The 31st Division is the epitome of the service battalions, the Pals battalions, the Kitchener’s army, because the whole lot were volunteers and suffered significant casualties on the first day.

The hon. Member for Barnsley Central mentioned the Devonshire memorial. For me, there is no better place on the Somme. It is a beautiful area, but sombre if one knows the story behind it. Mansell copse is very special not just because of the Devonshires and what happened there to the 8th and 9th Devons, but because of Lieutenant William Hodgson, who was a very famous poet. He had already received the Military Cross when he looked at the area that was to be attacked on the first day and he recognised a German emplacement in an area called the shrine. In there was a German machine gun post, and he knew that that machine gun was in a position to take them out when they went over the top. He trained his men to try and take the position but, sadly, they failed.

Exactly 100 years ago, on 29 June 1916, Lieutenant Hodgson wrote a poem. He was a young man leading his men over the top on 1 July. He knew that he was going to die. To conclude my tribute to the men who fought on the Somme, I will read the poem, which is called “Before Action”:

[“Before Action” by Lieutenant William Hodgson]

“Help me to die, O Lord."
We are fortunate to have in Portsmouth some great people who keep alive the memory of the Pompey Pals. I should like to pay tribute to Bob Beech, Alan Laishley and their colleagues who have been doing this work for many years. A couple of years ago, they created a memorial to our battalions at Fratton Park, our football ground in the heart of the city. It is a fitting place for it, since many of those who joined up were recruited directly from the crowds who poured through the turnstiles there.

The 14th Battalion of the Hampshire Regiment was the formal name of the first Pompey Pals. They participated at the Somme from August 1916, taking part in the push on the River Ancre. In their first major engagement, the battalion suffered 440 casualties in one morning. The 15th Battalion of the Hampshires, the second Pompey Pals battalion, joined the Somme campaign at Flers in September 1916. With several displays of courage, they secured the village of Flers and held it despite constant artillery fire and German counter-attacks. As a result of this action, 305 men were wounded or killed. The two battalions fought along the western front throughout the war, and the second Pompey Pals formed part of the Army of Occupation of Germany afterwards. When the war memorial by Portsmouth Guildhall was unveiled in 1921, a parade of veterans from both battalions was held. The memorial remains a focal point for commemorations to this day, and it is a place for reflection.

We should remember the role played by women in supporting the troops at the front. Many of those women were nurses close to the lines, and they were not immune to the risks of war or the hardship it imposed. Many nurses, in places of grave danger, cared for the wounded and dying with great devotion. We had a memorial service in their honour last autumn in Portsmouth, under the direction of Emma D’Aeth, at the Holy Spirit church in Southsea. Our general hospital in Portsmouth, Queen Alexandra, was originally a military hospital. It was named in honour of the Queen of Edward VII, who sponsored the Army Nursing Corps. As well as those in the Army Nursing Corps, we must remember the women of the Voluntary Aid Detachment who worked in hospitals in the UK and in field hospitals near the front. World war one was the first time that our nurses, cooks and secretaries was based. Winifred Maud Harford did, however, allow my grandfather to marry her, so the Battle of the Somme is indirectly responsible for who I, my brother and my sisters are. I am just as proud of my grandmother’s military MBE from that war as I am of my grandfather’s medals.

My city of Gloucester, and the county of Gloucestershire, made an immense contribution to the Battle of the Somme. There were 13 battalions of the Gloucestershire Regiment—the Glosters—in that battle. Some 1,813 members of the regiment died, and about 6,000 were wounded. Carton de Wiart, who himself won a VC commanding the 8th Glosters, noted at one point that he had “eight new officers arrive in the morning, and all were lost by the evening”.

Among the many grisly statistics of death from the Battle of the Somme, I find those among the saddest, alongside the story of the Soul family, from Great Rissington, in Gloucestershire. Mrs Soul had five sons who fought in world war one in different regiments, and all were killed.

On Friday, we will hold a commemoration in Gloucester cathedral, close to the stained glass windows that celebrate Ivor Gurney—Gloucester man and poet of the Severn and the Somme. In his poem “On Somme”, he started with these lines:

> Suddenly into the still air burst thudding
> And thudding, and cold fear possessed me all,
> On the grey slopes there, where winter in sullen brooding
> Hung between height and depth of the ugly fall
> Of Heaven to earth; and the thudding was illness’ own.”

The thudding is over, but Ivor Gurney never really recovered; he spent years in a mental hospital.

This Friday, in the cathedral, we will commemorate Ivor Gurney and all those from our city and county who fought at the Battle of the Somme. Nearby, in the parish of Hempsted, there will be on display all the research done by Hempsted primary school on those who fought at the Battle of the Somme. Among the many grisly statistics of death from the Battle of the Somme, I find those among the saddest, alongside the story of the Soul family, from Great Rissington, in Gloucestershire. Mrs Soul had five sons who fought in world war one in different regiments, and all were killed.

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from the village who fought and died. That will be supported by the Heritage Lottery Fund’s special world war one fund.

In our cathedral and in the Lysons memorial hall, we will all be moved again, as Members have been here, by the tragedy of waste, whichever army it was in, and even by the story of the mules from Shandong province that my wife’s grandfather shipped to the front for a muddy death.

7.57 pm

Sir William Cash (Stone) (Con): I wish to make a few comments because the Staffordshire Regiment played a magnificent part in the first world war. I also want to commemorate those we remember on Remembrance Sunday. Their names are read out in St. Mary’s church in Cheadle and in Stone church. We listen to the roll call and think of the brothers, sisters and all the others who were affected by this enormous tragedy.

I simply want to say this: war is dreadful. My father was killed in the second world war, but people were killed on a massive scale in the first world war, and we do not want that ever to happen again. I am not going to speak about current matters—I just want to remember these people.

I also want to remember those from southern Ireland who took part in the war, just like those from Northern Ireland and from across our territories. There were many such people, including people like Victor Cullen from the Royal Irish Rifles. I would like to mention the names of the regiments: the Royal Dublin Fusiliers, the Royal Munster Fusiliers, the Connaught Rangers, Princess Victoria’s Regiment, the Royal Irish Fusiliers and the Royal Irish Rifles. It is impossible for us to imagine that the people in these regiments, who became part of southern Ireland for the most part, actually fought with our people. As a result of the troubles, they were vilified afterwards, but now they are entrenched in our memories.

I want to read out, in final tribute, just one part of a poem by Wilfred Owen:

“What passing-bells for these who die as cattle?
Only the monstrous anger of the guns.
Only the stuttering rifles’ rapid rattle
Can patter out their hasty orisons.
No mockeries now for them; no prayers nor bells,
Nor any voice of mourning save the choirs,
The shrill, demented choirs of wailing shells;
And bugles calling for them from sad shires.”

8 pm

Kirsten Oswald (East Renfrewshire) (SNP): I thank the hon. Member for South West Wiltshire (Dr Murrison) and for Barnsley Central (Dan Jarvis) for bringing this debate to the Chamber today. It is a pleasure to sum up for the SNP, and to commemorate all the men—so many of them—who lost their lives at the Somme.

There have been excellent speeches throughout the debate. They have been informative and moving, for me none more so than that from the hon. and gallant Member for Beckenham (Bob Stewart).

The war of 1914 to 1918 was terrible and destructive. It tore the continent of Europe apart. Of all the terrible battles, even now, so many years later, the Somme is recognised as defining. More British Army troops died on the first day of the Somme than on any other single day in history. The description by the hon. Member for Stone (Sir William Cash) of war as quite right in that context. As we heard from the right hon. Member for Broadland (Mr Simpson), the Somme was the allied forces’ “big push” to break German lines, but they were met with fierce resistance from the well-prepared German forces, and the result was months of fighting and terrible loss of life for the British empire, French and German forces. That was in only this one battle, such was the terrible nature of the attrition that characterised the strategy—if that is a word we can use here—of this war.

After a week of heavy artillery bombardment, the British infantry advanced at breakfast time on 1 July 1916. They did so following a whistle blown, in some cases, by Robert Cameron. One hundred years on, to the minute, his nephew, Alan Cameron, chair of the Royal Army Service Corps, will blow the same whistle to mark the end of two minutes silence at the Scottish National War Memorial in Edinburgh castle, where an overnight vigil of remembrance is being held. The fighting at the Somme ultimately lasted from 1 July until 18 November. During that time, the conditions were indescribably horrific, and the battleground was fluid; it was not really clear, a lot of the time, what significant gains or losses were being made.

As we have heard from a number of Members, along with the troops from Britain and European countries British empire troops played a key role in the Great War. Among those involved at the Somme were two Indian regiments that took part in the first and only cavalry charge of the battle, between the High wood and the Delville wood areas, before they were forced to retreat under heavy fire. In common with many other potential advances, this joint Indian and British assault failed because of poor communications. British troops had captured a large amount of ground in the area, and it was planned that the cavalry would exploit this, but because orders came through so slowly, they had to wait around for a fortnight before they saw action, which gave the Germans time to regroup, with disastrous results. The terrible fighting was quite shockingly to the Indian soldiers, with one writing home, “This is not war; it is the ending of the world.”

It was indeed the ending of the world for so many of the young men sent to the Somme. They are a lost generation of young men—the Harrys, Jameses and Georges described by the hon. Member for Weaver Vale (Graham Evans)—cut down before they had any chance of a life. Britain, like other countries, sent its young men in numbers, and in reality they were simply numbers, lost to the stalemates and hellish trench warfare of the Somme.

As the hon. Member for South West Wiltshire described so well, the first world war has an enduring association with poetry, with many plunged into hellish conditions reflecting their surroundings in writing and in poems. In his “Anthem for Doomed Youth”, Wilfred Owen described “the monstrous anger of the guns.” He reflected that war was not glorious, and, as the hon. Gentleman said, of course it is not. We can, and we should, remember those who fell. We should do so...
soberly, with respect and with honour. To describe their deaths as glorious, however, does nothing to acknowledge their terrible experience, nor the bravery that service personnel showed, standing for us in the most difficult of circumstances.

As well as the excellent work of charities, such as Poppy Scotland and the Royal British Legion, in commemorating the Battle of the Somme during the first world war, many groups and organisations, including the University of Glasgow, are remembering those lost at the Somme. Huge recruitment drives took place at the Glasgow University Union, a former haunt of both my hon. Friend the Member for East Dunbartonshire (John Nicolson) and mine.

In a project taking place near my home, knitted and crocheted squares are being made, each of which represents one of the men lost in the Glasgow Pals battalions we heard about earlier. Such battalions were formed as a result of the Government encouraging groups of young men who worked together or shared common interests to join up together, such as the Grimsby Chums that the hon. Member for Cleethorpes (Martin Vickers) told us about. It is fitting that these friends should be remembered together, and it is particularly fitting that the squares will be displayed on the rails of the People’s Palace in Glasgow so that the Pals of today can remember those groups of Pals, about whom the hon. Member for Solluhull (Julian Knight) spoke in relation to his community.

The knitting project also acknowledges the role of women at home, who were encouraged to knit for the troops, but were keen to do so much more to help, as the hon. Member for Barnsley Central said. The hon. Member for Portsmouth South (Mrs Drummond) spoke powerfully about the role of women much nearer the battle. It was particularly moving to hear about the meeting of the grandparents of the hon. Member for Gloucester (Richard Graham).

The speeches by the hon. Members for Strangford (Jim Shannon) and for South Antrim (Danny Kinahan) and the right hon. Member for Lagan Valley (Sir Jeffrey M. Donaldson) made clear the scale of the contribution made by soldiers from Northern Ireland. The Scots also played a very significant role at the Somme, with the involvement of 51 Scottish battalions. The Irish and Scottish Brigades of the 34th Division suffered terrible losses, as did the Pals battalions in general. The Glasgow and Edinburgh Pals battalions lost over 1,000 men in the opening days of the offensive. In total, 7,000 men of the 34th Division lost their lives.

Famous among those who fell were the men of the McCrae’s battalion of the Royal Scots. As my hon. Friend the Member for Edinburgh North and Leith (Deidre Brock) told us, the battalion was raised in Edinburgh and was made up of football players and supporters, not unlike the Pompey Pals the hon. Member for Portsmouth South told us about. In the opening days of the offensive, the McCrae’s battalion alone lost 12 officers and 573 men, which was three quarters of its attacking strength.

All these men and many more are commemorated at the Scottish National War Memorial in Edinburgh castle. I would echo the words of the right hon. Member for Basingstoke (Mrs Miller) and encourage people to visit such memorials. A statue has been placed above the exit door so that it is the final thing that people see before they leave the memorial. The bright golden figure, the only colourful thing in the whole memorial, is a representation of peace—a figure with a broken sword and the sun rising behind her. That is the sentiment with which we should remember. We should remember all the men who fell at the Somme, as we aspire to maintain peace today.

As the right hon. Member for Broadland so eloquently described, 100 years ago Europe was in turmoil. Europe is in a different kind of turmoil today. The path of European relations, either before or after the first world war, has never been entirely smooth, but it is undeniable that we have been at peace in our area of Europe for 70 years and that earlier times of peace were inextricably linked to the hard work done to maintain good relations and co-operation between sovereign states. While we remember, let us—particularly those in this House—always aim to learn from the past and to work together, and always aspire to peace, because that is truly the only way properly to respect and remember the terrible tragedy of all those young men who went to the Somme and never came home.

8.8 pm

Kelvin Hopkins (Luton North) (Lab): I congratulate the hon. Member for South West Wiltshire (Dr Murrison) and my hon. Friend the Member for Barnsley Central (Dan Jarvis) on securing this important debate on the centenary of one of the most tragic events in Europe’s history, and on their very fine and moving speeches. I also congratulate all hon. Members on their equally fine speeches. We have heard not just very moving words, but interesting speeches from people who know a lot about what happened in those terrible times during the first world war.

I wish to pay my personal tribute to those who fought and died on the Somme in the weeks that followed 1 July 100 years ago. Controversy has raged for decades about why such suffering of hundreds of thousands of men should have been first initiated and then tolerated, even as an act of war. The particular role of General, later Field Marshal, Haig, has been considered controversial, but perhaps that is a debate for another day. It is the men who died and were wounded on the Somme that must be and are uppermost in our thoughts today. Their incredible bravery and dreadful suffering are what we commemorate and are discussing. I hope I speak for all my party colleagues when I pay tribute to those men in this debate.

The Somme has come to symbolise the terrible nature of war at its most devastating and tragic. We must salute and remember all those who were killed and wounded on the Somme, and ensure that they are never forgotten. The first world war, and the Somme in particular, seem very close to me and are far from distant in my thoughts. I am older than the great majority of hon. Members in this House, and I have some personal associations with those events.

My maternal grandfather, Arthur Frost, was wounded early in the war, and could not return to the trenches. Instead—perhaps fortunately—he was employed as a chauffeur to a general, which is surely the reason he survived. My mother was born shortly after the war, and I would not be here today if my grandfather had not come through. I remember him telling me about his experiences in the war when I was seven and he was just 60—14 years younger than I am now. I, too, was lucky
to survive the second world war. We lived in south London in Norwood in 1943, and my mother insisted that my brother and I were evacuated with her to my grandparents in Leicester, shortly before a V1 destroyed our house.

I have always been very conscious of war and its dangers and tragedies, but I have a particular association with the Somme. My wife Pat’s grandfather, Private Arthur Thomas Langley, died on the Somme, and my late father-in-law was raised by his mother and his aunt, whose fiancé had also been killed. I remember Nan and Aunty Sis, as they were known in the early 1960s—two dignified and kindly women who had both suffered tragedy in their lives but retained an amazing serenity. They, too, were a good deal younger than I am now. I knew several such women in those years, and there were hundreds of thousands of them, together with mothers, sisters, fathers, brothers and children.

I have brought with me the posthumous medals that were awarded to Private Langley and later posted to my wife’s Nan. We even have the registered envelope in which they were delivered nearly 100 years ago. My wife and I were the first members of her family to find our way through the internet where Arthur was buried, and to make a journey to visit his grave. He lies in a war cemetery called Caterpillar Valley, alongside hundreds of his comrades. We took those medals with us and photographed them on his headstone as we paid our respects. We shall not forget him, nor the sight of the vast numbers of white headstones in one of many such cemeteries across the Somme. Each year we drive to see friends in Burgundy, crossing the Somme near Saint-Quentin, and we give more thought to those who died 100 years ago. The land around there is now calm, undulating and mostly grassy, and it is difficult to imagine the horror and slaughter that took place in those times.

I also remember the poems of Rupert Brooke, Wilfred Owen and Siegfried Sassoon, which we read at school—some of that has been referred to today. Those men were there, and they put into moving and eloquent language their thoughts on that war and the death and destruction that they saw, and that two of them were later to suffer themselves. Their words are perhaps more telling than anything we might say today—moving though many of today’s words have been—and they will live on.

We should also remember all those from other lands, about which much has been said today, who fought on the Somme on both sides. My constituency contains the largest Irish community in the eastern region of England, and, as we have heard, many thousands of Irish soldiers died on the Somme—indeed, last Saturday I was at the annual general meeting of the Luton Irish Forum, and mention was made of that. I also represent many communities from across the Commonwealth who suffered great losses in the war. It is astonishing to think that they came from all over the world to fight and die in what was essentially a European war, and we should not forget that. I have many thousands of constituents from south Asia. They know that their parents and grandparents were associated with and involved in those wars, and we remember and pay tribute to them.

It has been a privilege and an honour to make my first speech from the Dispatch Box in this most significant, honourable, and heartfelt debate.
closely in planning these events. The occasion will be attended by about 10,000 guests, including members of the royal family, Heads of State, senior politicians and representatives from all the nations involved, and about 8,000 members of the public.

At this point I would like to acknowledge the fantastic work of the Commonwealth War Graves Commission, one of our key partners in our commemorative programme. The CWGC does excellent work in ensuring that the 1.7 million people who died in the two world wars will never be forgotten. It cares for the cemeteries and the memorials at 23,000 locations in 154 countries across the globe. All are perfectly maintained. I pay tribute to all the people involved in the CWGC, including the administrators, the gardeners and those responsible for the gravestones. They do a fantastic job.

I recently visited the Thiepval memorial and many of the other cemeteries in France. I can advise hon. Members that they are fantastically well maintained. I had the privilege of climbing to the top of the memorial and looked out across the surrounding landscape. One thing I observed was how quiet it was and how different and terrible it must have been 100 years ago.

On the afternoon of 1 July, our focus moves to Manchester. A significant number of Pals battalions, which we have heard a lot about from Members on both sides of the House this evening, were raised in Manchester and the north of the country, and the industrial north made a huge contribution to our war effort. His Royal Highness the Duke of York, representing Her Majesty the Queen, will take part in a wreath-laying service at the city’s cenotaph, which will be followed by a national commemorative service at Manchester cathedral.

After the cathedral service, a remembrance walk will take place, involving a first world war wagon collecting all the memory pieces that have been made as part of the “Path of the Remembered” project, ending at Heaton Park. In the evening, a cultural concert will be held, featuring a national children’s choir, film, dance, and the Hallé orchestra—19,240 tickets were made available, one for each soldier of the British Army who died on the opening day of battle, and I am delighted that every one of them has been taken up.

Heaton Park, which was used as a military camp in the first world war, will host over two days “Experience Field”—there will be talks, exhibitions, performances and activities from leading experts on the first world war. I am particularly delighted that more than 1,400 pupils from 37 schools will visit on 1 July. It will be open to the public on 2 July. I put on record my sincere thanks to Manchester City Council, Manchester cathedral and all partners involved in organising those important events.

As we have heard, the Battle of the Somme lasted 141 days, and to ensure our focus is not just on the opening day of battle, the Royal British Legion and the CWGC will host a daily public service of remembrance at the Thiepval memorial through to 18 November. CWGC is facilitating a range of events at cemeteries across the region throughout the period. Regimental associations, communities and descendants can therefore participate on a day that is particularly significant to them.

We want to ensure that there are opportunities for everyone to learn about the Somme and commemorate the courage and sacrifice of all those who gave their lives during the first world war, which has been discussed by the many hon. Members who have participated in the debate this evening. Many people were affected, and we remember the impact it had on those families who were never to see their loved ones again. We also remember the huge effort that took place on the home front, and all the factory and munitions workers, particularly the women, who did so much at home and who played such an important role in the first world war.

As well as the national commemorative events, Government partners will be involved in other Somme-related activities. We are funding a series of 12 regional debates for schools in 2016-17, which will enable year 12 and 13 students to debate the causes, the conduct and the consequences of the war. The first of those was held last night at Manchester cathedral.

The 14-18 NOW arts programme is connecting people with the first world war. It has so far reached 20 million people through events such as “Lights Out”, the “Dazzle Ships” and the UK-wide tour of the poppies. There are a number of events this year, including the Welsh National Opera’s “In Parenthesis”; and “Memorial Ground”, a major participative project featuring choirs and singing groups across the UK. The poppies continue their tour. The “Weeping Window” can be seen at the Black Watch Museum in Perth, and “The Wave” can be seen at Lincoln castle.

Ian Murray (Edinburgh South) (Lab): I apologise to the House for not being present earlier, but I had other commitments. Will the Minister join me in congratulating McCrae’s Battalion Trust, which built a cairn in the French village of Contalmaison in 2003 to commemorate the deaths of the Edinburgh men and women killed on 1 July 1916, and whose members are going on their annual pilgrimage this week? We owe a great deal of respect to the people who continue to make these pilgrimages to the Somme to remember those who fought and made the ultimate sacrifice.

Mr Evennett: I am pleased to join the hon. Gentleman in commemorating those events and in congratulating those involved. I am grateful to him for bringing that to the attention of the House.

The Imperial War Museum will also open late on 30 June, with film screenings, live music, immersive theatre and poetry, while the film “The Battle of the Somme” is available to Centenary Partnership members to show in public venues—there will be more than 100 screenings.

So far, I have focused on what the Government will deliver or help to facilitate, but what is really heartening is the response to our call to the nation in April. Many hundreds of remembrance activities will be taking place in local communities up and down the country, and many of them have been registered on our map on the centenary pages of gov.uk. I would like to mention a few: a vigil at Clifton cathedral in Bristol; a parade through Wick in Scotland; an event at the war memorial at Barnsley town hall; a whistle ceremony at Fivemiletown in Northern Ireland; and a special concert at St Collen’s church in Llangollen. Wales—all local communities commemorating the 100th anniversary of the start of the Battle of Somme. Communities are coming together
everywhere to remember. I particularly thank the Royal British Legion for all its work in helping local communities with these remembrance activities.

There are also many Heritage Lottery Fund projects taking place up and down the country. Local communities are exploring their first world war heritage. The CWGC has recently launched its “Living Memory” project, calling on communities to rediscover war graves in their local cemeteries and to remember the lives of those who lie within them. The project encourages people young and old to discover and learn about war graves and their heritage, and anyone can get involved. I strongly recommend that people visit the CWGC website and encourage local communities to do the same and to get involved in this project marking the 141 days of the Somme.

We all have a history of family members involved in the first world war. One of my grandfathers, Thomas Evennett, fought not at the Somme but in France in the Army. My other grandfather was in the Royal Navy and was at Jutland—we recently commemorated that battle in a moving ceremony up in the Orkneys. We all should learn more about the history of our communities and families and make sure they are remembered not just by us but by our whole communities. This debate has been an opportunity for people across the House to pay moving tributes to families, communities and constituencies across our United Kingdom.

Individuals and communities across our country have an opportunity to come together on 1 July and throughout the 141 days—yes, 141 days—and to learn about the Somme and all those affected by it, on the battlefield and, subsequently, at home. One hundred years ago, the bloodiest battle in our history was about to begin. It is right that the House remembers all those who made the ultimate sacrifice in the service of their country. We will remember them.

8.29 pm

Dr Murrison: We have had a debate of superlative quality this evening, with 20 right hon. and hon. Members speaking extremely movingly on this the eve of the centenary of the bloodiest day in British military history.

The 19th century French army officer and author, Alfred de Vigny, spoke in his book “The Servitude and Grandeur of Arms” of military service as the most fearsome of contracts. It was true then; it was true in 1916; it was true in 1982, as my hon. and gallant Friend the Member for Beckenham (Bob Stewart) so movingly reminded us; and it remains true today.

The hon. and gallant Member for Barnsley Central (Dan Jarvis) quoted AJP Taylor and disagreed with him. I think the hon. Gentleman is allowed to disagree with him; I am not sure that I am. Nevertheless, I hope he will allow me the indulgence on this occasion, because I, too, disagree with him. It is certainly the case that idealism did not die on the Somme; neither did the lights entirely go out across Europe.

If we are to avoid the loss of our 21st century lives and loves in the mud and blood of continental Europe, we need to ensure that we have eternal vigilance across all the Parliaments and Assemblies of our continent. I think that should be our tribute to the fallen this evening—lest we forget.

Mr Deputy Speaker (Mr Lindsay Hoyle): I am sure that the Minister wanted to point out that Chorley’s own celebration will take place at 10 o’clock tomorrow night and Friday morning, and that the 3 Medical Regiment will take the freedom of the town in Chorley, with the dedication of the cenotaph taking place on Saturday.

Question put and agreed to.

Resolved,

That this House has considered the centenary of the Battle of the Somme.

Business without Debate

DELEGATED LEGISLATION

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

ENERGY

That the draft Contracts for Difference (Miscellaneous Amendments) Regulations 2016, which were laid before this House on 9 May, in the last Session of Parliament, be approved.—(Julian Smith.)

Question agreed to.
UK Involvement in Rendition

Motion made, and Question proposed. That this House do now adjourn.—(Julian Smith.)

8.32 pm

Mr Alistair Carmichael (Orkney and Shetland) (LD): I want to say how pleased I am to have secured this Adjournment debate on the subject of the UK’s involvement in rendition. I wish we could find a better word than “rendition” for what this involves. It is a very dry, technical and legalistic term, suggestive perhaps of involvement in a performance of a piece of poetry or a song. It is, in fact, one of those terms that obscures rather than reveals its true meaning.

Rather than find another term for it, let me quote the words of Khadija al-Saadi who at the age of 12 was rendered from Hong Kong to Libya in a joint CIA/MI6 operation in 2004. She describes the 16-hour flight in which her father, an opponent of the now deposed Libyan dictator Colonel Gaddafi, was chained to a seat with a needle stuck in his arm. She wrote:

“I was 12 years old and was trying to keep my younger brothers and my six year old sister calm. The guards took us to see our mother once on the flight. She was crying and told us that we were being taken to Gaddafi’s Libya. Shortly before the plane landed, a guard told me to say goodbye to my father, at the front of the plane. I forced myself ahead and saw him with a needle in his arm. I remember guards laughing at me. Then I fainted. We were taken off the plane and bundled into cars. Hoods were pulled over my parents’ heads. Libyans forced my mother, sister and I into one car, my brothers and father another. The convoy drove to a secret prison outside Tripoli, where I was certain that all I knew about Libya at that time was that Colonel Gaddafi wanted to hurt my father, and that our family had always been moving from country to country because of the tripoli office of Gaddafi’s spy chief Moussa Koussa. I remember guards laughing at me. Then I fainted. We were taken off the plane and bundled into cars. Hoods were pulled over my parents’ heads. Libyans forced my mother, sister and I into one car, my brothers and father another. The convoy drove to a secret prison outside Tripoli, where I was certain that we were all going to be executed. All I knew about Libya at that time was that Colonel Gaddafi wanted to hurt my father, and that our family had always been moving from country to country because of the tripoli office of Gaddafi’s spy chief Moussa Koussa.

Khadija’s father, Sami, was subsequently held for six years and severely tortured.

That, Mr Deputy Speaker, is why it is important for this House to debate rendition this evening. That act and all that followed from it was done as a result of the efforts of British intelligence officers. These illegal acts were done in our name, and it is right that Parliament and the public should be told what was done by whom and on whose authority.

The circumstances surrounding the al-Saadi case were one of two sets of circumstances that came to light following the fall of the Gaddafi regime, when documents were found by the organisation Human Rights Watch in the Tripoli office of Gaddafi’s spy chief Moussa Koussa. The content and tone of some of that correspondence is shocking, but it provides an insight into the minds of those responsible. The rendition, it is boasted, was “the very least we could do for you and for Libya.”

If rendition was the least that he could have done, I hate to think what might have been possible at the upper end of the scale.

Bob Stewart (Beckenham) (Con): May I clarify a point? Is the right hon. Gentleman saying that our secret services were used to move a person to Libya, under Gaddafi, at the express wish of Gaddafi?

Mr Carmichael: That is what I understand the position to be, although obviously our knowledge is incomplete.

The correspondence continues:

“I know that I did not pay for the air cargo but the intelligence on him was British.”

To refer to another human being as “air cargo” is just about as degrading and dehumanising as it is possible to imagine.

When I raised the issue with the Prime Minister today, during Prime Minister’s questions, he told me that “very few countries in the world would have had such an independent and thorough investigation into an issue like this.”

He was right—up to a point. The investigation of the role of senior British officers in the rendition of the al-Saadi family and another one was carried out by the Metropolitan Police Service. It was a thorough investigation, which does the police credit. At the end of it, a report running to 28,000 pages was sent to the Crown Prosecution Service, which announced on 9 June that no proceedings would be taken against the suspect in the inquiry.

I shall turn to the question of the decision of the Crown Prosecution Service in a moment, but first I want to address the Prime Minister’s assertion about the rigour of the investigation. As I have said, the Metropolitan Police Service appears to have done a thorough piece of work; the fact remains, however, that the whole investigation only ever happened because, in the chaos following the fall of Gaddafi, someone from Human Rights Watch happened to come across those documents. But for that, we would almost certainly never have known of our country’s involvement in this affair.

A number of issues arise from the statement made by the CPS on 9 June, and I would be grateful if the Minister addressed them in his reply. The first relates to the review of the decision. The decision itself has been greeted with some scepticism and incredulity. I understand that there is to be a review of it, but that the review will be carried out by other CPS officials, subordinate to those who made the decision. Surely a case of such political sensitivity deserves better than that. There is a precedent for the review of a politically sensitive decision being conducted by lawyers who are independent of the CPS: that was done in the case of the decision not to prosecute the late Lord Janner. I suggest that this is another case in which an independent review is appropriate. Will the Minister tell me whether or not there will be such an independent review?

Most remarkably of all, the CPS statement of 9 June concludes that the CPS has sufficient evidence to conclude that “the suspect had...sought political authority for some of his actions albeit not within a formal written process nor in detail which revealed all his communications and conduct.”

Let us pause for a second to consider the significance of that. Officials of the Crown Prosecution Service have evidence that politicians—presumably that means Ministers of the day—were told of an illegal act by British intelligence officers. It cannot be right that officials of the CPS can know that, but we as parliamentarians cannot. It is ironic to think that if the hon. and learned Member for Holborn and St Pancras (Keir Starmer) had remained in his post as Director of Public Prosecutions, he would know more about this than he can today, having faced the voters and been elected to the House. So how are we to get to the truth here? The Prime Minister when he was the Leader of the Opposition said of rendition:
“As a moral purpose always must be accompanied by moral means, surely we must recognise that, in the last six years, issues like Guantanamo and extraordinary rendition have done huge damage to our moral authority.”—[Official Report, 21 February 2007; Vol. 457, c. 267.]

It was unsurprising, therefore, that in July 2010, in the first couple of months of his time as Prime Minister, he set up an independent judge-led inquiry into torture under Sir Peter Gibson. At that time, the Prime Minister took the view, and told this House,

“For public confidence, and for independence from Parliament, party and Government, it is right to have a judge-led inquiry.”—[Official Report, 6 July 2010; Vol. 513, c. 185.]

He expressly excluded the use of the Intelligence and Security Committee for the task. The Gibson inquiry was suspended in 2012 when the documents discovered by Human Rights Watch were published. At that time, the then Secretary of State for Justice, the right hon. and learned Member for Rushcliffe (Mr Clarke), said:

“The Government fully intend to hold an independent, judge-led inquiry, once all police investigations have concluded, to establish the full facts and draw a line under these issues.”—[Official Report, 18 January 2012; Vol. 538, c. 752.]

The view expressed by the Prime Minister today about the investigation of this by the Intelligence and Security Committee is the direct opposite of the view he expressed in 2010. When the Minister replies, will he tell the House when Government policy changed on this and why? Surely public confidence demands that a full, independent and judge-led inquiry be reinstated.

Nia Griffith (Llanelli) (Lab): I congratulate the right hon. Gentleman on securing the debate. While we may have every respect for the commitment by the right hon. and learned Member for Beaconsfield (Mr Grieve), the Chair of the ISC, that he will carry out an inquiry into rendition, does the right hon. Gentleman agree that, in the last six years, issues like Guantanamo and extraordinary rendition have done huge damage to our moral authority? Surely public confidence demands that a full, independent and judge-led inquiry be reinstated.

Mr Carmichael: I certainly agree with the hon. Lady and I think she will find that the Chairman of the ISC himself has said that he sees the need for a measure of reform there.

Mr Keith Simpson (Broadland) (Con): I am a member of the ISC and I am sure that the right hon. Gentleman would accept the fact that we are in the midst of a major investigation into rendition. There is nothing that we cannot see. There is no one within the Government or the agencies, past or present, whom we cannot question. The only restriction, of which the hon. Member for Llanelli (Nia Griffith) will be aware, is that, by the very nature of our Committee, the questioning of the agencies themselves has to be done by us; otherwise they would not appear. However, I can assure him that our Committee is following every line that he and others are raising.

Mr Carmichael: Of course, I take the right hon. Gentleman’s assurance—indeed, I have to because there is not an awful lot else that we can know about this. However, given the nature of the information that is now in the public domain about authorisation or the request for authorisation from the suspect who has just been told by the CPS that he will not be the subject of prosecution, that is not something that it is appropriate for a Committee of this House to be doing. It is something that requires to be done by a body that is seen to be independent of Parliament and of party, as the Prime Minister himself said in 2010.

Beyond the matters about which I have spoken this evening, there are outstanding questions about the use of Diego Garcia for rendition flights. The same batch of documents discovered by Human Rights Watch included CIA flight plans that indicated that the US intended to use Diego Garcia as a stop-over. Will the Minister tell the House why the Government continue to block the release of flight records that could settle once and for all the extent of the use of that territory for rendition? Then there is the reported letter from the then head of MI5 to the Prime Minister complaining about what had gone on in Libya. Clearly, there is no shortage of material for an inquiry to be considering.

Natalie McGarry (Glasgow East) (Ind): I congratulate the right hon. Gentleman on securing the debate. Does he share my concern that as late as 2013 research from the universities of Kingston and Kent identified 13 instances where Scottish airports had been used for CIA renditions? Will he echo my hope that, when the Minister responds, he will confirm that the Government were aware or have become aware of that? Will he confirm whether they sanctioned that and whether they will fully investigate with a Police Scotland inquiry?

Mr Carmichael: I would hope that that would be the case. I suspect it might be a forlorn hope, but we shall see when the Minister comes to the Dispatch Box. Certainly I think there would need to be some very good reason if the Government were not to co-operate with a police inquiry, and at the moment I do not see what that would be.

If ever there was a case where sunlight was needed for the purpose of disinfectant, this is it. Only by thorough investigation and disclosure of what has been done in our name, by whom and on whose authority, can we ever have confidence that this sort of thing will never be allowed to happen again.

Let us remember the words of Khadija al-Saadi with which I opened this debate tonight. The al-Saadi family were compensated by our Government to the tune of £2.2 million of taxpayers’ money. A further compensation claim by another family is currently before the courts. It was reported at the weekend that the Government so far have spent £600,000 in legal fees defending that case, although the plaintiffs are prepared to settle for £3 and an apology for what was done to them.

Khadija al-Saadi is now in her mid-twenties. She describes herself and her siblings as “the future of our country, and the future of this region.”

She goes on to say:

“That future, though, needs to be based on a full admission of what has taken place in the past. No one has ever explained to me who was to blame for what happened to my family.”

She is right.

That explanation is needed and not just for the al-Saadi family, but for others and all in this country who care about the rule of law and the standing of our nation in the world. I believe the Minister cares about these things, and that is why he should act.
8.46 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood): I welcome this important debate and congratulate the right hon. Member for Orkney and Shetland (Mr Carmichael) on securing it. He raises a number of serious issues about a matter in which I have a personal interest. As he is aware, I lost my brother in the Bali bombing and I understood that some of those involved in its planning were moved across the world in different formations, so I took an interest in this as a Back Bencher and continue to do so as a Minister.

Before going into the details of the subject, I will step back and look at what has caused a lot of questions to be raised about the style in which we deal with terrorism post-9/11. I am on record as saying that I believe the international community lost its way somewhat after 9/11. We were dealing with a new form of terrorism and extremism that we did not fully comprehend. I think that, in the desire to be seen to be doing something, the international community right across the piece ended up creating a new forum of justice that was not at all just by placing terrorists into parts of the world such as Guantanamo Bay where they could not receive the law of the land because it was not clear what the law of the land was, given the very land they were taken to. It is important that we learn the lessons of the past and ask why it was not correct that we should use procedures that had been in place over many years. Why did we feel the need to create something new about which we now look back on and say, "Actually, we did lose our way somewhat"?

I am therefore pleased that this debate has come forward. There are still questions being put. I will do my best to answer them, but the right hon. Gentleman will be aware that because a case is ongoing, I am limited in what I can say.

Mr Keith Simpson: I rise briefly to caution Members. This is the subject of a major ongoing investigation by the Intelligence and Security Committee, which is determined to find out who knew what and when. We have to be very careful about talking about "we" or any allegations that are made. Our Committee is following this through, with no fear or favour to anybody. The report will be published and then it will be very properly debated and questioned by the House.

Mr Ellwood: I have not gone into any detail, but my right hon. Friend makes a point that I shall develop later. The Committee has yet to produce its report and, until that happens, it would be wrong of the Government to comment. We will, of course, respond in full once the report has been published.

I want to outline Her Majesty's Government's position on rendition. The Government support the rule of law, and as the Prime Minister said today in response to a question from the right hon. Member for Orkney and Shetland, we oppose any form of deprivation of liberty that amounts to placing a detained person outside the protection of the law, including so-called extraordinary rendition. We also recognise that we face a serious, complex and diffuse threat from terrorism, and we should not forget that. The Government have a duty to protect British citizens from that threat, both at home and abroad. Our policy remains that individuals suspected of involvement in terrorism should be brought to justice whenever possible.

We should not make the mistake of thinking that all rendition is necessarily unlawful. The right hon. Gentleman described the word, but it has perhaps been taken out of context on occasion. Rendition may, in certain circumstances, be acceptable. For example, we would support the transfer of an individual to safety, from a place where there was no apparent legal framework, or if there was some other legal basis for the transfer, such as a United Nations Security Council resolution.

The Government remain committed to ensuring that allegations of UK complicity in alleged unlawful rendition and mistreatment overseas are examined fully. In July 2010, the Prime Minister announced an inquiry, led by Sir Peter Gibson, to consider whether the UK was implicated in the improper treatment or rendition of detainees held by other countries. The inquiry undertook extensive preparatory work. However, following the launch of a new police investigation, the Government closed down the inquiry in January 2012 as there was no prospect of it being able to start in the foreseeable future.

Rather than wait for the police to complete their investigations, the Government agreed with the Intelligence and Security Committee of this Parliament in December 2013 that that Committee would carry out its own inquiry. My right hon. Friend the Member for Broadland (Mr Simpson) has referred to that inquiry. It was decided that the Committee would consider the themes and issues that Sir Peter had raised in his preparatory work, take further evidence and report to the Government, and to Parliament on the outcome. I hope my right hon. Friend will agree that the Government are co-operating fully with the Committee's inquiry. My right hon. Friend the Foreign Secretary gave evidence to the Committee on 9 June. The Home Secretary and the agency heads have also given evidence.

I do not want to pre-judge the findings of the Intelligence and Security Committee—my right hon. Friend the Member for Broadland (Mr Simpson) has already pointed out the importance of avoiding that. Once the Committee has published its report and the outcome of the police investigations is known, the Government will be able to take a final view on whether it is in the interests of the country or of future policy making to hold another judge-led inquiry. I hope that answers the call of the right hon. Member for Orkney and Shetland.

I turn now to the specific cases of Mr al-Saadi and Mr Belhaj. The Government have co-operated fully with the police investigation into the cases of those two individuals, and we acknowledge the decision of the Crown Prosecution Service not to bring charges. The CPS has stated clearly the reasons for the conclusions that it has reached. It would be inappropriate for me to comment further, as separate civil proceedings are now under way, as the right hon. Gentleman knows. He looks poised to intervene, and I am happy to give way to him.

Mr Alistair Carmichael: The civil proceedings relate to only one of the families. The al-Saadi family has already settled, as I indicated in my speech. I appreciate that this matter falls more within the ambit of the Attorney General’s Department than the Minister's,
but does he accept that any review of the CPS’s decision needs to be undertaken by lawyers who are independent of the CPS? If he cannot answer that question, will he get me an answer from the Attorney General?

Mr Ellwood: As the right hon. Gentleman suggests, I think it would be better for the Attorney General to make that comment. However, I underline the point that the Crown Prosecution Service has stated clearly the reasons for the conclusions that have been reached, but I will invite the Attorney General to write to the right hon. Gentleman with clarity on the second case.

I now turn to some of the right hon. Gentleman’s specific points. On US rendition flights, we have received from the US assurances, which are renewed annually, that apart from two declared incidents in 2002, the US has not held or moved any detainees through the territorial land, air or seas of the UK or our overseas territories. On Diego Garcia, the British Indian Ocean Territory continues to be a vital strategic defence asset to the UK and its allies, including the US, contributing significantly towards global security and efforts at countering regional threats such as terrorism and piracy. The Government welcome the US presence on Diego Garcia and have made it clear that we want that to continue. The Prime Minister discussed Diego Garcia’s future with President Obama on 22 April and discussions are continuing. The issue of rendition is dealt with separately through the UK Government.

On the transit through UK or overseas territories of foreign rendition flights, such requests are considered on a case-by-case basis and are granted only when the purpose of the transit complies fully with international law. Under no circumstances would we approve a rendition that was not in compliance with international law. In the unlikely event that a foreign rendition flight were to land or to pass through UK airspace unexpectedly, we would again consider the case on its merits. There is no point in speculating on hypothetical scenarios, but our actions would always be consistent with our legal obligations.

It is worth mentioning the US Senate report. We welcomed the thorough US Senate Committee investigation into the CIA’s involvement in detention and rendition. We further welcomed President Obama’s acknowledgement that such actions were contrary to US values and did not serve the country’s counter-terrorism or national security interests.

The Government are certainly co-operating fully with the Intelligence and Security Committee’s inquiry. The ISC has confirmed to the Government that it has received all but one of the relevant documents to date, but if it requires any further documents, it only needs to let the Government know.1

The UK Government do not participate in, solicit, encourage or condone the use of torture for any purpose. We have made that position absolutely clear, both publicly and bilaterally with our overseas partners. It is vital that our security and intelligence services are able to work with liaison partners overseas. The reality is that they will need to work with partners who do not always share our values, but we seek to ensure that acceptable standards are adhered to by those partners when they choose to work with us and to help them to raise their own standards across the board.

In July 2010, the Government published consolidated guidance for the first time setting out the standards that our intelligence officers and service personnel must apply during the detention and interviewing of detainees overseas and in the sharing of intelligence with liaison partners. It makes it clear that we act in compliance with our domestic and international legal obligations, and our values as a nation. Ministers must be consulted in circumstances where personnel judge that there is a serious risk of cruel, inhumane or degrading treatment taking place, and Ministers will consider all relevant factors when deciding whether an operation should proceed.

The independent Intelligence Services Commissioner, a former senior judge, oversees compliance with the guidance. He reports annually to the Intelligence and Security Committee, and his role in that regard was put on a statutory footing by a direction from the Prime Minister in November 2014.

I have already touched on Guantanamo Bay. The Government support President Obama’s continued commitment to close down that detention facility, which I visited a number of years ago. When that might happen remains a matter for the US Government. The UK Government have made a significant contribution to reducing the number of detainees by taking back nine UK nationals and, exceptionally, six former UK legal residents.

I thank the right hon. Gentleman for this opportunity to set out the Government’s position today, and I am certainly grateful to other hon. Members for their contributions. In conclusion, I wish to emphasise again that the actions of Ministers and Government officials are bound by their duty to comply with the law. It therefore follows that the Government oppose any means of depriving any individual of their liberty that amounts to putting them outside the protection of that law.

Question put and agreed to.

9 pm

House adjourned.

House of Commons

Thursday 30 June 2016

The House met at half-past Nine o’clock

PRAYERS

[MR SPEAKER in the Chair]

BATTLE OF THE SOMME

9.35 am
The House observed a minute’s silence.

Mr Speaker: Colleagues, thank you for that display of respect.

Oral Answers to Questions

TRANSPORT

The Secretary of State was asked—

Public Transport: Affordability

1. Liz McInnes (Heywood and Middleton) (Lab): What recent assessment he has made of the effect of trends in the cost of public transport on the affordability of those services.

The Parliamentary Under-Secretary of State for Transport (Claire Perry): Rail fares rose by 0.7% last year thanks to this Government’s fares cap, meaning that rail fares rose by less than earnings for the first time since 2003. Outside London, deregulated bus fares rose by 1.8% last year, with the Government continuing to spend more than £1.2 billion a year through the bus service operators grant and concessionary fares to help keep fares affordable.

Liz McInnes: With a quarter of unemployed 18 to 24-year-olds finding that the cost of a bus fare is a barrier to getting a job, what steps does the Minister intend to take to ensure that young people have access to work and training?

Claire Perry: There are already concessionary fares targeted exactly at that group. On the rail network too, there are now specific discount fares for jobseekers. Often this is a matter for local authorities to work on with their bus operators. The Bus Services Bill currently in Committee gives local authorities additional powers through a franchising mechanism, should they choose to use it.

Daniel Zeichner (Cambridge) (Lab): After many years of Conservative deregulation and privatisation, we find that many of our bus and rail operators are now owned by European companies, and some by European Governments indeed. Given that we are not exactly flavour of the month in Europe, and that we already know that British passengers are subsidising other countries, what can the Minister say reassure us that we will not see our fares going up as a consequence?

Claire Perry: I can reassure the hon. Gentleman—it is a pleasure to see him on the Front Bench this morning. Those operators may have ownership structures involving foreign entities, as do many British companies, but any operator in the UK is a UK-based company, employing UK staff and headquartered in the UK, continuing to invest in a very successful rail and bus programme right across the country.

Daniel Zeichner: I am not sure the House will be entirely reassured by that. We have talked already about the Bus Services Bill. Will the Minister take this opportunity to withdraw the punitive clause 21, which will stop local councils creating successful municipal bus companies? What have the Secretary of State and others on the Government Front Bench got against British success stories such as Reading and Nottingham, which do so well?

Claire Perry: We believe in parliamentary democracy in this country. As the hon. Gentleman knows, the Bill is in Committee in the Lords, and we will all have an opportunity to debate those points when it comes to our Chamber shortly.

Emergency Towing Vessels: Scotland

2. Mr Alistair Carmichael (Orkney and Shetland) (LD): What recent discussions he has had on the future of emergency towing vessels in Scotland; and if he will make a statement.

The Minister of State, Department for Transport (Mr Robert Goodwill): I discussed emergency towing capability in Scotland with the right hon. Gentleman on 9 June, and we had an informal chat this week on that subject. The Maritime and Coastguard Agency has consulted all interested parties about options for future provision beyond September 2016. I expect to make an announcement very soon.

Mr Carmichael: We look forward to hearing the Minister’s announcement. The last stakeholders’ group meeting convened by the MCA received a risk assessment—a proper, substantial piece of work commissioned from the private sector—that made it clear that removing the tug would pose an unacceptable risk for the coastal and island communities of Scotland. When the Minister makes his decision, will he make sure that that risk assessment is on his desk and at the heart of his considerations?

Mr Goodwill: I absolutely reassure the House that I understand the importance of maritime safety in those northern waters, from the point of view not only of pollution—we all know how difficult a major oil pollution incident can be—but of our seafarers at risk on the waters.

Workplace Parking Levy: Nottingham

3. Mr Graham Allen (Nottingham North) (Lab): What discussions he has had with Nottingham City Council on the use of income from the workplace parking levy for transport projects in Nottingham; and if he will make a statement.

Claire Perry: I can reassure the hon. Gentleman—it is a pleasure to see him on the Front Bench this morning. Those operators may have ownership structures involving foreign entities, as do many British companies, but any operator in the UK is a UK-based company, employing UK staff and headquartered in the UK, continuing to invest in a very successful rail and bus programme right across the country.

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The Parliamentary Under-Secretary of State for Transport (Andrew Jones): Ministers have had no discussions with representatives of Nottingham City Council on the use of the income from its workplace parking levy scheme, but officials from the Department have been in contact with officials from Nottingham City Council.

Mr Allen: Devolving power to the city of Nottingham by enabling it to have a workplace parking levy has led to Nottingham having the biggest fleet of electric buses in Europe, to the redevelopment of the Nottingham rail station and to tramlines being introduced in Nottingham, and those have now been extended. Will the Minister come to Nottingham to see these developments and to discuss with the city council how a shortfall in EU funding will be made good so that these things can continue?

Andrew Jones: I agree that this is a very buoyant time—for public transport in Nottingham. The workplace parking levy raises between £8 million and £9 million a year, and it does indeed contribute to the tram system. However, the coalition Government agreed to provide £371 million towards it, so many of the enhancements we see come from central Government. I would be delighted to go to Nottingham—they are doing a very good job there—and would happily discuss the funding arrangements.

**Rolling Stock**

4. Sir David Amess (Southend West) (Con): What assessment has he made of the adequacy of the amount of railway rolling stock.

The Secretary of State for Transport (Mr Patrick McLoughlin): I am sure that my hon. Friend will join me in welcoming the introduction of an additional 9,000 peak-time seats on the Essex Thameside route by January next year. By 2024, capacity will increase by a further 16,000 seats.

Sir David Amess: As my right hon. Friend is aware, there has been some criticism from constituents about c2c train services and services on the Greater Anglia line. Will he share with the House when he expects further new rolling stock to be provided by c2c and when he expects the decision on the Greater Anglia franchise to be announced?

Mr McLoughlin: A number of improvements are coming to the c2c line. In the past, my hon. Friend has been incredibly critical, but he has welcomed many of the changes that have been brought in by the new franchise. Obviously, those take a bit of time to bed in, but I know he very much welcomes the extra availability and the new seats, and I hope to see those in operation as soon as possible.

Mr Ben Bradshaw (Exeter) (Lab): The Secretary of State will know that the rolling stock serving the south-west of England dates from the 1970s, and we are eagerly updating our new, updated trains. What assessment have he and his Department made of the impact of Brexit and the economic shock from Brexit on his overall investment plans for our transport system?

Mr McLoughlin: I am pleased to be travelling on one of the new intercity express programme trains later today to mark the 150 years of the part of the railways that serves his town and his constituency.

Mr Bradshaw: City.

Mr McLoughlin: I apologise to the right hon. Gentleman. The investment we have seen on his line, and the investment we are seeing in the new IEP trains and the new AT300s, which will serve places further into the south-west, are very welcome, and I am pleased that he welcomes that investment.

Jo Churchill (Bury St Edmunds) (Con): Following on from the question from my hon. Friend the Member for Southend West (Sir David Amess), will the Secretary of State assure me that the East Anglia rail franchise announcement is imminent, as we expect, so that we in the east can move out of the sidings?

Mr McLoughlin: I well know the desire of all my colleagues in East Anglia to hear about the new franchise. I hope not to have to keep them waiting too long.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The other day, an employee of Virgin Trains East Coast described the refurb of some of the old trains as “like giving granny a new dress”. Is the Secretary of State not aware of the state of the rolling stock on the east coast? When is it going to get better, and how can we justify that sort of rolling stock when we are wasting so much money on HS2?

Mr McLoughlin: What the hon. Gentleman should be welcoming, as he always fails to do, is the vast investment that we are seeing on that railway line. He is now complaining about the upgrading of stock in the interim before the new IEP trains come in. I would have thought he would welcome that new service and also welcome the new service into London that will eventually serve Huddersfield.

Mr Philip Hollobone (Kettering) (Con): The Secretary of State and I use the midland main line operated by East Midlands Trains to get to and from our constituencies. The high-speed 125 trains on that line are rapidly approaching the end of their operating life. Will he ensure that, with the new franchise, they are replaced with new rolling stock and not recycled second-hand rolling stock from other lines?

Mr McLoughlin: When we come to look at the franchise for the east midlands line, I am sure that is one of the many issues we will take into account. It is worth pointing out that since 2010 we have seen almost 5,000 new carriages for use in the UK’s railway network. That is one of the biggest ever upgrades of our railway stock. Like my hon. Friend, as a regular user of the east midlands line I also hope it will get new rolling stock in due course.

Sue Hayman (Workington) (Lab): The Cumbrian Coast railway line serves my constituency, and I get regular complaints about the rolling stock. A lot of the busy trains often have only a single carriage, and some
of the carriages date from the 1970s. What work are the Government doing with the new franchise holder to improve the situation?

Mr McLoughlin: We are doing a number of things with regard to the Transpennine route and the Northern route—not least, under this Government, the phasing out of the Pacer train. That was always promised and alluded to, but we are actually going to deliver on it, and I am very pleased about that. If the hon. Lady is saying that more needs to be done, I accept that, but the very fact that since 2010, as I say, almost 5,000 new carriages will have been ordered and put into use on the railway network is a very commendable record.

Mary Robinson (Cheadle) (Con): With over 900 houses currently under construction in Woodford, residents in Cheadle, Gatley, Cheadle Hulme and Bramhall are facing daily gridlock at the junction of the A34 and the A560. Will the Secretary of State agree to meet me to discuss ways to alleviate this problem?

Mr McLoughlin: I am sure I can organise a meeting for my hon. Friend to discuss this problem. We had a bit of a look at it some time ago when I was last in her constituency, but I am more than happy to discuss any transport problems that she has.

Mr Speaker: Order. I think that, as I have just been advised, the rolling stock has rather left the line. I err on the side of generosity, but the hon. Lady’s supplementary was at best tangentially related to the question on the Order Paper. We will let her off on this occasion.

Regional Airports

5. Callum McCaig (Aberdeen South) (SNP): Whether he plans to review the effectiveness of the public service obligation for regional airports. [905572]

The Secretary of State for Transport (Mr Patrick McLoughlin): The Government will soon update their aviation policy framework. As part of this update, the Government will consider the role that public service obligations can play in serving regional airports, which are a vital economic and social lifeline for all parts of the United Kingdom.

Callum McCaig: For Aberdeen, as an international oil and gas hub, the access that we enjoy to Heathrow as a gateway to the rest of the world is as important, if not perhaps more important, than its access to this fine city of London. Aberdeen has looked at the prospect of a PSO, which would provide access only to a London airport, whereas we need point-to-point access. Will the Secretary of State ensure that that is considered in the review?

Mr McLoughlin: I will certainly consider the representations that the hon. Gentleman has made to see whether that is compatible with the overall rules that we want to introduce in public service obligations.

Andy McDonald (Middlesbrough) (Lab): Does the Secretary of State agree that the sustainability and development of regional airports could be much enhanced by the increase in connectivity inherent in the additional capacity plans for the south-east? Given that such connectivity will deliver economic growth throughout the UK, what assessment has he made of the efficacy of any engagement with the regional airports in ensuring that once a decision is made, the proposals in the recommended option of Heathrow will deliver the desired development of our regional airports?

Mr McLoughlin: I welcome the hon. Gentleman to his position. I have been in this post for four years, and he is the fifth shadow Secretary of State I have seen and, I think, the 10th person to hold the Labour transport brief in nine years. I congratulate him on that. I also thank the hon. Member for Nottingham South (Lilian Greenwood) for the way in which she conducted herself while she was doing the job. Although at the moment she is sitting on the Back Benches, I am sure that that is only a temporary measure while certain things are sorted out.

If I may now come to the question—I have almost forgotten what it was—I think we all agree that regional airports play a vital role in connectivity. One of the issues about regional airports—this was alluded to in a previous question—is their accessibility to the London airport system. We have to consider such issues and some later questions may address them.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): The Davies commission report came out almost a year ago—I think a year ago tomorrow, in fact—and it recommended that the Government take a different view of point-to-point PSOs. Regional connectivity for Scotland could be enhanced by PSOs for many airports, including London City, yet London City’s plans for development are still on hold. Will the Cabinet Secretary commit to releasing that development now, so that it can partake in PSO development?

Mr McLoughlin: That is one of the issues for which the Mayor of London has responsibility first, and I think he has already taken a view on it. When a decision comes to me, obviously it will have to go through the proper process. I agree with the hon. Gentleman about the opportunities for people to get to London airports.

Drew Hendry: I thank the Secretary of State for that answer. The Davies commission report also recommended that we urgently consider expansion and that other airports, such as Heathrow and Gatwick, might benefit from PSO connectivity. Can we finally get a decision on airport expansion in the south-east, or will we yet again see more and more fudging of this subject?

Mr McLoughlin: I fear that the hon. Gentleman has come in a bit too early. I intend to address the points he has just made in response to question 8 on the Order Paper.

Severn Bridges

6. Jessica Morden (Newport East) (Lab): When he expects a decision to be made on post-concession arrangements for the Severn bridges. [905574]

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): The UK Government are committed to the continued successful operation of these vital crossings.
The Government plan to consult this autumn on the proposed halving of tolls—which would represent a massive saving for users—as well as other options, including free-flow tolling.

Jessica Morden: I thank the Minister for attending the recent meeting in this place with the Freight Transport Association to discuss the future of the Severn bridges. I know that there is to be a consultation, but there is real concern about the issue, especially now that the bridges will continue to be seen as a cash cow for the Government. May I reiterate that we want the bridge tolls to come down further and an assurance that when they return to public ownership they stay that way?

Andrew Jones: I very much enjoyed that meeting and hearing the views of businesses in Wales and of Welsh Members. The concession will finish when £1.029 billion is returned from tolls to the public purse. We expect that to happen sometime in early 2018. We are working on the plans that will follow that transition. We will consult more broadly, but I entirely agree that keeping the tolls low will help businesses in the area.

Mrs Madeleine Moon (Bridgend) (Lab): I have a large number of haulage and private contract hire companies in my constituency, many of which trade across the whole of the UK. They are very concerned that the consultation is not just a paper exercise and that the Minister is listening. Once the tolls have paid off the cost of the bridge, will he consider handing it over to the Welsh Assembly to manage?

Andrew Jones: The bridges are primarily in England, so that is an interesting Welsh land grab. As regards listening to the voice of businesses, if I was not listening to the voice of business, I would not have attended the meeting that was arranged by the hon. Member for Newport East (Jessica Morden) with the Freight Transport Association.

Border Controls

7. Deidre Brock (Edinburgh North and Leith) (SNP): What recent discussions he has had with the Home Secretary on border controls at air and maritime ports.

Mr Goodwill: I understand that incoming international passengers at Edinburgh airport are experiencing lengthening delays as a result of cuts to the number of Border Force officials available. Given the increasing passenger numbers there and the likely increased need for passport checks after Brexit, will the Minister take urgent action to increase Border Force official numbers at the airport?

Mr Goodwill: I, for one, am pleased that we do not have border checks at Berwick-upon-Tweed when I travel north. The hon. Lady should more reasonably put that question to the Home Office, which deals with such matters. As the Minister with responsibility for aviation, I am aware of the whole airport experience, and long queues at immigration are not good for the experience of people who come to our country.

Airport Capacity

8. Mr Nigel Evans (Ribble Valley) (Con): What plans he has to expand airport capacity.

Mr McLoughlin: I had hoped that we would be able to announce a decision on airport capacity this summer. Clearly, any announcement on airport capacity would have to be made when the House was in session. Being realistic, given recent events, I cannot now foresee that there will be an announcement until at least October. We aim to publish the further analysis on air quality soon. Separately, promoters have announced undertakings that would increase the compensation available for residents living near the airports and the connectivity between other UK airports. The Government are fully committed to delivering the important infrastructure projects that they have set out, including the delivery of runway capacity on the timetable set out by the Davies report.

Mr Evans: It is another boring day at Westminster, and I was rather hoping that the Secretary of State might inject some excitement into it for me. Nobody can accuse him of rushing this decision. Post-Brexit, with a number of countries banging on the door of the UK to do trade deals, does he agree that increasing airport capacity at London City, London Heathrow and London Gatwick will be vital to British businesses throughout the UK?

Mr McLoughlin: I would have liked to be in the position of asking the House to make a decision, and endorsing a decision. We are not going to be in that position, and we have to be realistic. My hon. Friend may regard it as a boring day in the House of Commons, but it is certainly not a boring day in Westminster.

Valerie Vaz: The Secretary of State will know that I am going to make the case for Birmingham airport. Is there still time, whenever the report comes out, for Birmingham airport to make the case for the 250,000 jobs that could flow from a second runway there?

Mr McLoughlin: Looking at the hon. Lady’s question, I did not realise that she was going to mention Birmingham, because her question specifically talks about south-east England. To the best of my knowledge, Birmingham has not moved since I knew it as a boy, 20 miles away from where I lived. Birmingham airport is a fantastic airport, which serves an important role as far as Birmingham and the midlands are concerned, and it has just had a runway extension.

Mr Speaker: We are greatly reassured by the Secretary of State’s geographical knowledge.
Sir Alan Haselhurst (Saffron Walden) (Con): Does my right hon. Friend accept that even if he had been able to make an announcement on this subject today, the earliest that extra runway capacity could be provided would be 2023, and at worst probably 2030? Does that not point up the need to improve connectivity to Stansted, which is the only airport in the London area with the capacity to deal with the strain of extra demand?

Mr McLoughlin: That is one of those questions that one cannot really disagree with, and my right hon. Friend has a habit of asking such questions in Transport questions. Although I agree with the point he makes, the delivery of what he is asking for is somewhat more difficult than he suggests.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Yet more dithering on the decision whether to expand hub capacity at Heathrow will harm the regions of this country and the United Kingdom. What recommendation will the Secretary of State make to the next Prime Minister?

Mr McLoughlin: Well, one step at a time. If the hon. Lady does not mind my saying so, she is assuming a number of events, which I am not going to do. In all seriousness, I would say to the hon. Lady, who is Chair of the Transport Committee, that this is a very important and big decision for the United Kingdom and it is not an easy one. The simple fact is that whichever option we choose will impact on people’s lives. It is therefore right to make sure we do all the preparatory work on air quality and the other issues. However, I very much hope that a decision can be made later this year.

Crispin Blunt (Reigate) (Con): It is inconceivable that either the Home Secretary or the former Mayor of London would at this time put their constituency interests ahead of the national interest. I know that had the Secretary of State sought an assurance from the former Mayor of London that he would support this decision if the Government went ahead with it, he would have received it. Did he seek such an assurance, and if not, why not? This is not in the national interest, and it is not in the interests of people around Gatwick who will have to live with further uncertainty.

Mr McLoughlin: I am very sorry that my hon. Friend is disappointed by my announcement this morning. As I have said, however, given the parliamentary timetable and when the House will rise, I do not see how it would be possible to come to the House for a statement with a recommendation and possibly a vote before the summer recess.

Lilian Greenwood (Nottingham South) (Lab): I thank the Secretary of State for his earlier comments, but his answer is exacerbating the profound uncertainty about the future of essential transport projects, including HS2 and a new runway at Heathrow. Hundreds of thousands of jobs and apprenticeships are in the balance. Does he not understand that delaying these plans will add to the wider economic shock that was triggered last week, and that public and private investment in our transport networks must be delivered?

Mr McLoughlin: We are now back on familiar ground and I do not need to repeat what I said earlier. The simple fact is that I am very proud of the investment that this Government are putting into infrastructure. Infrastructure investment is 90% higher than it was during the last Parliament, and it is much larger than the amount put in by the previous Labour Government, so this Government are very committed to infrastructure investment. The hon. Lady talks about airport capacity, but there were airport capacity issues during the 13 years her party was in government, when it did nothing.

Andy McDonald (Middlesbrough) (Lab): With the political and economic uncertainty following last week’s referendum vote, infrastructure projects have become more, not less, important for the future of this country. That is particularly true of our airports, which will have renewed importance in ensuring that the UK is a global, outward-looking trading nation. The comments made by the Prime Minister and, indeed, by the Secretary of State today have cast doubt on that. Does the Secretary of State not accept that kicking this decision into the long grass yet again is simply utterly unacceptable?

Mr McLoughlin: We are accused of kicking something into the long grass, but I have said that I hope to see a decision by the end of the year, and Opposition Members have not yet expounded which option they actually support.

Tourists: Rail Travel

9. Michelle Donelan (Chippenham) (Con): What steps has he taken to increase the number of tourists travelling by rail.

14. Nigel Huddleston (Mid Worcestershire) (Con): What steps has he taken to increase the number of tourists travelling by rail.

15. Scott Mann (North Cornwall) (Con): What steps has he taken to increase the number of tourists travelling by rail.

The Parliamentary Under-Secretary of State for Transport (Claire Perry): Millions of tourists use our railways, and we have products such as the BritRail pass to encourage this, but we want to do more. In March, the Prime Minister launched a £1 million competition to boost tourism specifically in relation to heritage and community railways, and it has been wildly successful. We had a fabulous array of bids, and we have made 17 grants to wonderful projects from Cornwall to Caledonia and from Welshpool to Warwick.

Michelle Donelan: Will the Minister confirm whether her Department has conducted any work into the potential economic boost from trade and tourism for Corsham, Wiltshire and the wider area of reopening Corsham railway station, and if not, will it do so?

Claire Perry: Even before my hon. Friend took her seat she had for a long time been a doughty campaigner for reopening the station. I thoroughly enjoyed going to see the site with her, and I know that we will have a meeting next month to continue the discussions. I understand that a feasibility study is currently being undertaken in Corsham, which I hope will reference the uplift for tourism and, indeed, some of the educational opportunities in this area. I am looking forward to seeing such references when the report is presented.
Nigel Huddleston: Will the Minister provide an update on potential improvements to the north Cotswold line, which could provide a significant increase in tourist traffic beyond Oxford to Worcestershire and Herefordshire?

Claire Perry: My hon. Friend knows that the Department is working with Network Rail, Great Western Railway and other stakeholders to look at the whole business case and funding opportunities to really improve the London-Oxford-Worcester train services. The Department will publish its next rail investment strategy in summer 2017, which will set out the investment plans for 2019 to 2024.

Scott Mann: It will come as no great surprise to the Minister that I would like to raise the Okehampton link, which is part of the south-west Peninsula Rail Task Force agenda. Does she believe, as I do, that there should be an economic assessment of the tourism benefits that use of that particular route could provide to businesses in north Cornwall?

Claire Perry: Before answering my hon. Friend’s question, I will point out to him that two of those wonderful projects I mentioned were in Cornwall, so there was a really good effort by the peninsula. The Peninsula Rail Task Force will be working on a report to look at all sorts of options for enhancing that rail network. I look forward to receiving and studying that report later this year.

Nick Smith (Blaenau Gwent) (Lab): A new metro system in south Wales would really help rail tourism there, but the planned metro is heavily dependent on EU support. What measures will the Minister take to ensure that the south Wales valleys metro system can be delivered?

Claire Perry: Investment in rail services in Wales is now devolved to the Welsh Administration, so that funding is a matter for them. I am sure that, like me, the hon. Gentleman will welcome the fact that three of the winners of the competitions I mentioned were based in Wales, including the wonderful velorail bike visitor attraction, which involves cycling along disused railways on enormous great bicycles. There will be some tourism uplift from investments like those.

Mr Speaker: It sounds very exciting.

Tom Brake (Carshalton and Wallington) (LD): What assessment has the rail Minister made of the impact of the appalling Southern and Thameslink services and Network Rail’s infrastructure failures on the ability of tourists to get to key tourist destinations such as Beddington Park and Honeywood Museum in Carshalton?

Claire Perry: The right hon. Gentleman, like all right hon. and hon. Members whose constituencies are served, have set out. The hon. Gentleman heard what the Secretary of State had to say about the decision on the new airport runway in south-east England.

Andrew Stephenson: What steps his Department is taking to ensure that a decision is made as soon as possible on the new airport runway in south-east England.

The Secretary of State for Transport (Mr Patrick McLoughlin): The Government have launched the first ever road investment strategy, committing a record £15 billion up to 2020. Work is already under way on 20 of the schemes named in the road investment strategy, with five schemes already open to traffic in 2015-16. I can confirm that work on the A14—one of the biggest projects in our RIS, at £1.5 billion—is on track to start construction later this year.

Andrew Stephenson: Does my right hon. Friend agree that the momentous events of last week, and the opportunities they provide, mean that our transport infrastructure and schemes such as the road investment strategy are now more important than ever?

Mr McLoughlin: It is very important that we press on with both road and rail infrastructure projects. They are often controversial when we start them, but by the time they are completed people have usually asked why we did not start them some time ago.

Daniel Zeichner (Cambridge) (Lab): Back in 2015, when the Government announced the road investment strategy, £6 billion was promised to resurface 80% of our strategic road network. We now understand that Highways England is saying that that promise will not be met. Where has the money gone, and what projects are being cancelled?

Mr McLoughlin: This is coming from the party that actually stopped investment in road spending almost completely. We are creating record investment while having to clear up some of the mess made by years of under-investment while the Labour party was in office. I do not recognise the points the hon. Gentleman has made.
disappointed by today’s decision. He knows that Dublin airport is due to have its new runway by 2023. We need a decision. May we have a promise that we will have a decision by Christmas 2016?

Mr Goodwill: I think the Secretary of State was very clear. There are some other interesting developments, for example Stobart Air is looking at connections between Carlisle and Belfast, Carlisle and Dublin, and Carlisle and Southend, which will increase connectivity and improve the prospects for tourism so that people in the north of England can visit the wonderful Ulster that he represents.

Jim Shannon (Strangford) (DUP): The third runway for Heathrow would unlock some £16 billion of private investment at a time when the economy needs it most. The chief executive of George Best Belfast City airport has said that the “Heathrow hub is vital in making Northern Ireland accessible to business and leisure passengers from all corners of the globe”. It is really important for Belfast city; it is important for Northern Ireland. Make the decision now.

Mr Goodwill: The Davies report made very clear the importance of connectivity in the south-east to the regions, the north of England, Ulster, Scotland and elsewhere. We are very mindful of the issues that have been raised by colleagues from around the country.

Local Roads

18. Andrew Rosindell (Romford) (Con): What recent assessment he has made of the condition of local roads.

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): The Department published its latest assessment in March 2016. This assessment shows that local classified roads are improving, with fewer local classified roads that should be considered for maintenance. But there is still much to do, which is why the Government have committed record levels of investment, over £6 billion, to highways maintenance up to 2021, as well as having a pothole action fund totalling £250 million in this Parliament.

Andrew Rosindell: I thank the Minister for his reply, but is he aware of the significant difficulties my constituents face travelling east from Romford due to the congestion caused by the roundabout and flyover at Gallows Corner? At peak times, this roundabout can cause complete gridlock in parts of my constituency. Will he raise this matter with the Greater London Authority and work with the Mayor of London to organise a new road layout? That would be a great relief to the local constituents in Romford and throughout the London Borough of Havering.

Andrew Jones: This is a matter for Transport for London, because it is part of the local network. TfL consulted on proposals earlier this year in respect of road safety improvements at Gallows Corner, but my hon. Friend makes an extremely important point. I would be very happy to take this up with the Mayor and TfL. I suggest that the most helpful way forward would be for both of us to continue to do just that.

Departmental Funding: Shipley

19. Philip Davies (Shipley) (Con): What proportion of the funding allocated by his Department to the West Yorkshire combined authority has been spent in Shipley constituency.

The Minister of State, Department for Transport (Mr Robert Goodwill): My Department has allocated over £41 million of local transport funding this year to the West Yorkshire combined authority and nearly £233 million over the life of the Parliament to improve local roads and deliver integrated transport schemes across west Yorkshire. It is for local authorities to decide how funding is allocated to schemes.

Philip Davies: I am very grateful for the answer, but the Minister failed to say how much of that had been spent in the Shipley constituency, which was the driving force behind my question. I think we can take it from that response that the answer is very little, if we are being generous. What is his Department doing to ensure that Labour west Yorkshire authorities are not just spending money in the Labour heartlands, but that the whole of west Yorkshire benefits from Government investment?

Mr Goodwill: My hon. Friend makes a very valid point. Maybe those in charge in west Yorkshire should look at some of our national projects. We are determined to invest where investment is needed, in many cases in areas in the north of England not run by our own party, to stimulate jobs and to contribute to the northern powerhouse, something to which I hope the council and those in control in west Yorkshire will pay attention.

New Railway Stations

20. Rebecca Pow (Taunton Deane) (Con): What assessment he has made of the viability of new railway stations funded through (a) the new stations fund and (b) alternative funding arrangements.

The Parliamentary Under-Secretary of State for Transport (Claire Perry): We know that rail investment and new stations provide a real boost for a local economy. I am very pleased that, since January 2014, 10 new stations have opened or reopened in England and Wales, funded by the new stations fund, local growth deals and by local partnerships. My right hon. Friend the Chancellor announced last year that another £20 million will be available for new station fund bids, and that fund will be open for bids very soon.

Rebecca Pow: Given that new stations are doing well and providing a boost to local economies and the environment, does the Minister agree that the town of Wellington in my constituency is an excellent candidate for a new metro railway station? A recent petition received an overwhelmingly positive response while the feasibility study showed an economic benefit. Will she also clarify our next steps in qualifying for new station funding?

Claire Perry: My hon. Friend is a Taunton girl born and bred and has campaigned assiduously on this and many other issues since assuming her seat. I have met her to discuss this matter, and we are looking forward to seeing the proposals. We have changed the terms and
conditions of the new stations fund so that promoters do not have to get to the GRIP 3 stage before their submission for funding. I am looking forward to seeing this and other applications.

**Southern Rail**

21. Peter Kyle (Hove) (Lab): What assessment his Department has made of the effect of the recent performance of the Southern rail franchise on economic productivity in the south-east. [905590]

The Parliamentary Under-Secretary of State for Transport (Claire Perry): Surprisingly, there is no formal economic assessment of the impact of rail disruption, but I am in no doubt that the hon. Gentleman and I would completely agree that a disrupted railway is not good for the economy or for passengers. That is why we are so committed to once again making Southern rail a high-performing railway.

Peter Kyle: This shambles is turning into a crisis. I have people writing to me who are late for work every day and getting written warnings from their bosses. The Government seem to expect them to turn to their bosses and say, “Don’t worry. By 2018, it will all be fine”. When will this shambles and crisis end? When can people tell their bosses that things will get better?

Claire Perry: The hon. Gentleman and I talk about this a lot. He knows that there was disruption as a result of our record investment but that things are getting better—I point out again that in April we got up to an 83.8% public performance measure. If his constituents would like to write to bosses, I suggest they write to the union bosses involved, who are doing their members a grave disservice by bringing them out on completely unjustified grounds. This is a dispute about who presses the buttons that operate the doors and the change in the role of the second staff member; there are no job losses or changes to terms and conditions.

Mims Davies (Eastleigh) (Con): My constituency benefits from Southampton airport and its economic productivity. It is getting four new routes this summer, and many hub in from Ireland and the Channel Islands, but Southern rail’s shameful performance is affecting commuters across the south coast as well as those hubbing into my airport and heading up to Gatwick from Swanwick. Flights are being missed and jobs are constantly in peril. Will the Minister say that the huge impact this failing franchise is having cannot be tolerated?

Claire Perry: Everybody understands that the railway has to get better—that is why the money is being spent and why so much work is going on with the operator and Network Rail—but I point out again that £2 billion of brand-new trains are coming off the production line that the company wants to run on these routes, but their introduction is being held up. And by the way, this is not just about Govia Thameslink Railway; they are having exactly the same problem in Scotland. This is a nationwide dispute about who presses the buttons that open the doors.

Caroline Lucas (Brighton, Pavilion) (Green): It is no good having more rolling stock if it is not actually moving, and it is not good enough for the Minister simply to blame the unions. Her Department has to get a grip. My constituents are furious. They are paying through the nose for an appalling service that threatens their jobs and robs them of time with their families, while the pay deal of the chief executive officer of Go-Ahead rose to more than £2 million last year. Will she get a grip, stop defending the failing private sector, remove the franchise and put the service into transparent and accountable hands now?

Claire Perry: Unlike the hon. Lady, my focus is completely on the passengers. She accepted a large donation from the RMT before the last election, while members of the ASLEF union have just awarded themselves a 16% pay increase. They need to stop objecting to the introduction of new technology that will benefit her constituents and constituents right across the UK.

Mr Speaker: And finally, Justin Madders.

**Passenger Rail Franchises**

22. Justin Madders (Ellesmere Port and Neston) (Lab): What recent assessment he has made of the performance of passenger rail franchises. [905591]

The Secretary of State for Transport (Mr Patrick McLoughlin): Does anyone have—I do apologise, Mr Speaker. I rather thought we were going on to topical questions, so my mind was there and not on the answer to the hon. Gentleman’s question.

In the national rail passenger survey report for spring 2016, published this morning, 80% of passengers were satisfied with their journey. Merseyrail, which serves many of the hon. Member’s constituents, scored 90%.

Justin Madders: Unfortunately the Secretary of State’s response was as late as a number of the trains on the Wrexham to Bidston line, which goes through my constituency. It is an infrequent, unreliable and expensive service, which is due for renewal in the next couple of years. Will the Secretary of State ensure that we have the highest specification possible for the renewal, so we get a much improved service?

Mr McLoughlin: I apologise to the hon. Gentleman for the slight delay in my response. I very much hope that his constituents will enjoy some of the improvements happening in the franchises serving his area. I referred to Merseyrail, but of course there are other train operating companies providing services into his constituency and I think there will be considerable uplift on both Northern and TransPennine Express links, which will benefit his constituents.

**Topical Questions**

T1. [905558] Jason McCartney (Colne Valley) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Transport (Mr Patrick McLoughlin): Right—I was prepared for this, Mr Speaker.

I am proud of the fact that capital expenditure on infrastructure will increase by 50% in this Parliament. We have set up the first ever roads investment strategy, on which I answered questions earlier this morning, but throughout my time at the Department for Transport I
have attached great importance to safety, so I am pleased that the latest statistics for road casualties in Great Britain, published at 9.30 this morning, show a decrease of 2% in road fatalities, a decrease of 3% in serious injuries, and a decrease of 4% in slight injuries. The number of deaths is too high, but the reduction is very welcome indeed.

Jason McCartney (Colne Valley) (Con): Please can the Secretary of State confirm four dates for me? When will Huddersfield get its direct London service? When will the Pacers go? When will HS2 link to Yorkshire? And when will the electrification of the trans-Pennine route begin?

Mr McLoughlin: Off the top of my head, I think the answers are May 2019; December 2019; 2033; and I am happy to say that preliminary work has started, although final decisions on the scope will have to wait until 2018. I wish I had all the figures in my head, as you often do, Mr Speaker.

Mr Speaker: I am extremely grateful to the Secretary of State.

Andy McDonald (Middlesbrough) (Lab): As my hon. Friend the Member for Hove (Peter Kyle) said, Southern rail passengers are suffering the worst delays in the country and its staff are locked into an increasingly bitter industrial dispute. All those who work or rely on this failing service deserve much better. Does the Minister not think that by ruling out the cancellation of the franchise and by winding down the operator of last resort, Directly Operated Railways, the Department has no plan B and has effectively forfeited the chance to place any meaningful pressure on the company to improve performance?

The Parliamentary Under-Secretary of State for Transport (Claire Perry): The hon. Gentleman only needs to look at the share price performance of the owning group to see that considerable pressure is being put on the company by the markets, by customers and by my Department. In my view, changing the franchise would do nothing. The Parliamentary Under-Secretary of State for Transport is vital for creating the northern powerhouse, connecting northern regions and supporting jobs, which helps to rebalance the UK economy. Work towards delivering an improved, integrated transport system is well under way. In 2014, we created Transport for the North and we have committed to spending a record £13 billion on transport in the north.

Mr McLoughlin: I met the right hon. Lady to discuss other issues in her constituency following her request at the last Transport questions, and she mentioned four-tracking. That is being considered under the chairmanship of my right hon. Friend the Member for Saffron Walden (Sir Alan Haselhurst), who is examining services to that part of London and beyond. I look forward to receiving that report and, hopefully, making progress.

David Rutley (Macclesfield) (Con): What assessment has been made of the importance of transport improvement and infrastructure projects to the success of the northern powerhouse? Will my hon. Friend provide an update on progress?

Mr McLoughlin: I have not yet had the chance to meet the new Scottish Transport Minister to discuss this particular issue but there will be opportunities. I look forward to our first meeting on these subjects and I am more than happy to consider any of the points that he makes. The hon. Gentleman rightly makes the point about what happens when new services are provided. Particularly on the railways we often see a greater take-up than planned.

Mr Speaker: Kevin Foster. Not here.

Stephen Hammond (Wimbledon) (Con): What is the Secretary of State doing to ensure that the Borders railway has a greater take-up than planned.

T5. [905563] Stephen Hammond (Wimbledon) (Con): My constituents in Motspur Park, Raynes Park and Wimbledon welcome the concept of Crossrail 2, but are worried about consultation. Could my right hon. Friend assure my constituents that the Government will ensure that Crossrail 2 has the money to undertake an extensive consultation and a quality masterplan for the centre of Wimbledon?

Mr McLoughlin: I am well aware of the concerns of my hon. Friend’s constituents about the current plans. Both Transport for London and Network Rail are investigating the feasibility of a number of alternative options, which potentially include tunnelling and reconfiguration of stations in the area. Of course we will continue to consult on this. As he knows from his involvement in many major transport systems, there is a lot of consultation before we start digging the tunnel for Crossrail 2.

Mr Speaker: Hannah Bardell, not here.
Caroline Lucas (Brighton, Pavilion) (Green): Behind closed doors in February, Ministers agreed to allow GTR to cancel even more services without fear of breaching its contract, increasing the number from 23,000 cancellations to 32,000 cancellations. MPs were told about that on the last day before recess in May. How on earth can we have confidence in GTR services when there is such a delay before MPs are told and when it appears that Ministers are in cahoots, setting up risk-free contracts undermining the interests of our passengers?

Mr McLoughlin: I would have hoped that the hon. Lady would have worked with us, with all the investment that we are putting into the railway serving her area. All she has ever done is complain and back up the unions’ unjustified position on the new investment. There has been billions of pounds on new rolling stock and massive investment in London Bridge station. However, all she does is continually complain and take donations from the RMT.

Mr David Nuttall (Bury North) (Con): What is the Department doing to ensure that the pothole action money is being efficiently spent and to ensure best practice?

Andrew Jones: The pothole action fund has a budget of £250 million across this Parliament. The first allocation has already been made this year. It has been allocated to councils according to the number of highways for which they are responsible. We are looking at how we can make the fund as efficient as possible but the key thing is that we are backing local authorities to improve the quality of their local road network.

T8. [90556] Claire Perry (City of Chester) (Lab): Will the Secretary of State take the opportunity to scotch reports of Treasury meddling in HS2 post-referendum, confirm that it will be built north of Birmingham and that proper services will run through Crewe to benefit all of Cheshire?

Mr McLoughlin: I have had discussions with my right hon. Friend the Secretary of State for Work and Pensions on these matters, as far as training is concerned, and we are looking across at the Department for Business, Innovation and Skills, too, to assess what can be done to move this issue forward. There are good opportunities for young people to become drivers, and I would encourage them to look at those opportunities.

Sir Alan Haselhurst (Saffron Walden) (Con): Has my right hon. Friend’s Department made any assessment of the potential for aircraft types such as the Boeing 787 and the A350, which can fly greater distances point to point, to provide opportunities for Manchester and Birmingham aircrafts, demonstrating that there are more ways of doing business in this country than landing in London?

The Minister of State, Department for Transport (Mr Robert Goodwill): It is certainly the case that many airlines are investing in the A350, which is exclusively engined with Rolls-Royce engines, and the point-to-point option opens up many new opportunities for regional airports to provide direct services for their people.

Robert Flello (Stoke-on-Trent South) (Lab): I very much welcome the statistics showing that road improvement and road safety are getting better, but those statistics mask what is really happening with all-lane running. The Transport Select Committee has produced a report, published today, which shows the disingenuousness going on in the statistics. What are we looking for is the Minister’s acceptance that all-lane running is dangerous and that we need to do something about it.

Andrew Jones: I am aware that the Transport Select Committee has published a report this morning, but I have not yet had a chance to read it fully. The point about our smart motorways is that they are designed to add capacity to our network without compromising safety. The evidence from the first all-lane running schemes on the M25 show that the busiest journey times have almost halved, the number of collisions has reduced by almost a fifth and casualty rates are down by 21%. Obviously, safety is a priority. I will read the report with much interest.

Huw Merriman (Bexhill and Battle) (Con): Does the Minister agree that improvements on our railways will be made only if the unions move into the current century, embrace new technology and stop playing politics with passengers?

Claire Perry: Yes.

Christian Matheson (City of Chester) (Lab): Will the Secretary of State take the opportunity to scotch reports of Treasury meddling in HS2 post-referendum, confirm that it will be built north of Birmingham and that proper services will run through Crewe to benefit all of Cheshire?

Mr McLoughlin: I never comment on rumours, because I have started quite a few of them during my time in this House. I am committed to HS2, which I believe to be very important for this country. We are already seeing the benefits for Birmingham of the investment that is going around.

Peter Aldous (Waveney) (Con): Lowestoft railway station, which has the great advantage of being in the centre of the town, has fallen into considerable disrepair in recent years. Lowestoft station partners have some exciting initiatives for bringing it back into full use. Will the Minister meet me and them to explore how best to achieve that?

Claire Perry: That would be a pleasure. There are many funding pots, including local growth fund money, that could help to regenerate Lowestoft station.

Stewart Malcolm McDonald (Glasgow South) (SNP): On airport expansion, the Secretary of State has achieved one thing—he has made the Leader of the Opposition look positively decisive. Does he not believe that he owes the Select Committee, this House and businesses across the UK an apology for the fudge that has become a farce?
Mr McLoughlin: I have often thought that SNP Members lived in a different world, and if the hon. Gentleman thinks I have made the Leader of the Opposition look decisive, he has proved that this morning in spades. I stand by the statements I made earlier. I would have liked to be in such a position, but realistically that is not possible at a time when the House is not sitting. I have informed the House this morning, as it is right for me to do.

Martin Vickers (Cleethorpes) (Con): The recent decision by the regulator to refuse direct services between Cleethorpes and King's Cross shows that the present rules are working more in the interest of the franchise holder than the passengers. The Conservative Government surely support competition, so when are they going to support the passengers and allow more of that competition?

Mr McLoughlin: I do not mind my hon. Friend rightly calling for more services directly to his constituency, but in fairness, we have seen a vast improvement and we are going to see it continue as far as the new franchise is concerned, not to mention the protection of services for which my hon. Friend originally campaigned in respect of the Northern franchise and the phasing out of the Pacers so that his constituents and others in the area will have the chance of using new trains. That shows that we are committed to not only better services in general, but better services for my hon. Friend's constituents.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): I recently attended a guide dogs lobby of Parliament, and was shocked to learn about the extent of the problems that guide dog owners experience when trying to get taxis. Has the Secretary of State discussed that issue recently with his Cabinet colleagues?

Mr McLoughlin: Like many other Members, I too have been in touch with the Guide Dogs organisation. In fact, I was taken while blindfolded around Bakewell by a guide dog just a few weeks ago, and that demonstrated to me very clearly some of the problems often encountered by people who use assistance dogs. The law should be used to deal with any discrimination in that regard, and it is already an offence for taxi drivers to discriminate against those with assistance dogs.

Tom Pursglove (Corby) (Con): Investment in the Chowns Mill roundabout and the dualling of the A45 are important priorities for people in east Northamptonshire, and they are part of the road investment strategy. Will the Secretary of State do all that he can to ensure that they are delivered as early as possible, given that they are so desperately needed?

Andrew Jones: I fully recognise the importance of those schemes to my hon. Friend and his constituents. We are working to ensure that all our road investment strategy schemes are delivered as soon as possible, but I will keep him informed of progress.
Business of the House

10.36 am

Paul Flynn (Newport West) (Lab): Will the Leader of the House give us the business for next week?

The Leader of the House of Commons (Chris Grayling): The business for next week will be as follows:

Monday 4 July—Estimates day (1st allotted day). There will be a debate on courts and tribunal fees, followed by a debate on Energy Spending Priorities: Impacts on Investors and Consumers. Further details will be given in the Official Report.


At 10 pm the House will be asked to agree all outstanding estimates.

Tuesday 5 July—Proceedings on the Supply and Appropriation (Main Estimates) Bill, followed by consideration in Committee of the Wales Bill (day 1).

Wednesday 6 July—Opposition day (4th allotted day). There will be a debate on an Opposition motion. Subject to be announced.

Thursday 7 July—Statement on the publication of the first report from the Defence Committee, Russia: Implications for UK Defence and Security, HC 107, followed by a debate on a motion on online abuse, followed by a general debate on support for the UK’s creative industries and their contribution to the economy. The Select Committee statement and the subjects for both debates were determined by the Backbench Business Committee.

Friday 8 July—The House will not be sitting.

The provisional business for the week commencing 11 July will include the following.

Monday 11 July—Conclusion of consideration in Committee of the Wales Bill (day 2).

I should also like to inform the House that the business in Westminster Hall for 11 July and 14 July will be as follows:

Monday 11 July—Debate on an e-petition relating to school penalty fines and authorised absence from school.

Thursday 14 July—General debate on the contribution of co-operatives to the economy, followed by a general debate on maternity discrimination.

Paul Flynn: I thank the Leader of the House for giving us the business.

You may be a tad surprised to see me in this position, Mr Speaker, because for the past 26 years I have been a Back Bencher by choice—not just my choice, but the choice of the past five leaders of my party. Today, however, I am here for very positive reasons, as part of a diversity project in my party at which we have done splendidly. There are now far more women on the Front Bench and in Parliament than ever before—although not enough—and far more ethnic minorities, but there is currently a total absence of octogenarians. I believe that my appointment to this post will be a trailblazer which will lead to an all-octogenarian shortlist in the party, and will make the wealth of experience and wisdom among my fellow octogenarians available to the House. It is important for us to have people here who can remember life before there was a health service.

I note that the Wales Bill will be back in the House on Tuesday, and I hope that the Leader of the House has abandoned his curmudgeonly attitude to it. He has dismissed the idea of allowing both the beautiful language of Wales to be spoken here. Speaking Welsh has the same status as sitting on the carpet: it constitutes disorderly behaviour. However, Welsh has been used in Committees of the House when they have been held in Wales, and, at nugatory cost, it could be used here. There is no reason to obstruct the will of most Welsh Labour Members, and Conservative Members as well.

A number of Conservative and Labour Front Benchers are now Welsh-speaking. It is a sign of the great health of the language. It is marvellous to recall that Welsh was an ancient sophisticated language centuries before English existed. In fact it was spoken, as was Gaelic, at the time when the ancestors of those who created English were pagan barbarians who painted themselves blue with woad and howled at the moon from the top of mountains. This really must be taken seriously.

There are also lessons from the football field about leaving Europe that the Government would do well to heed. The English team Brexited swiftly and ignominiously; Wales remain, with honour. I appeal to the Leader of the House for his party not to dismiss the very sensible idea of having a second referendum, which is supported by one of the candidates in his party’s leadership election. There are good precedents for this in the EU, which has a splendid tradition of keeping voting until you reach the right decision. It happened in Denmark and two other countries where they held a referendum and a year later reversed the decision. The reason is that people voted on false agendas. Where is the £365 million for the health service? Where is the emergency Budget?

The public are rightly outraged by the mistruths they were told by the propaganda on both sides. It is not a surprise that we have a petition of historic dimensions—as big as the petitions of the Chartists and suffragettes—put before this House. There are 4 million signatures and counting, of people who say they were deceived by the vote—by the propaganda—and which was largely determined by the proprietors of the daily newspapers, rather than by a sensible realisation of the horrors to come. So it is quite reasonable that, after the issue has settled down and when a new alternative comes along—we have been told it will take five years—the public should have the right to have their views considered.

It is timely now to look at the role of the independent adviser on ministerial interests. This man is virtually unemployed. He has looked at only one case in the past five years, and that involved a baroness who confessed to a minor misdemeanour. There have been six other cases since that have not been reported to the adviser because the only person who can report them is the Prime Minister. Two of them occurred a year ago and involved the Cabinet Office Ministers who gave £3 million to Kids Company in spite of the published advice of civil servants not to do it. Kids Company went bankrupt three days later. That is surely a matter to be considered by the adviser.
Another far more serious matter is of current concern. Some five years ago a Secretary of State for Defence stood down and the then adviser on ministerial interests, Sir Philip Mawer, recommended that the case should be heard by him. The Prime Minister decided it should not be, and the Minister involved achieved absolution by resignation. He left the job and nobody knows what he did—what was so serious that he had to leave office. The problem is that that person is now offering himself not only as leader of the Conservative party, but as Prime Minister, and it is a matter of concern to all of us that we know what happened and why he left that job. The first question one would ask anyone applying for a new job, particularly one as Prime Minister, is ‘Why did you leave your last job?’ and we do not know.

Next week is going to be dominated by one event: the publication of the Chilcot report. The Prime Minister gave no information about that yesterday in his answer to the right hon. Member for Gordon (Alex Salmond). We must remember, as the report comes out, that Parliament is on trial. It was not just one man; it was hundreds of MPs, three Select Committees of this House, the military and the press who were in favour of joining a war in pursuit of non-existent weapons of mass destruction. Those who saw the very moving programme on BBC2 featuring Reg Keys will understand the true cost of war. For the last seven years, he has not been able to—

Mr Speaker: Order. The hon. Gentleman is an immensely experienced parliamentarian, and I know that he is just beginning his apprenticeship in this role. I always enjoy listening to him because he speaks with great experience and huge passion, but let me gently say to him that he has exceeded his time. It is his first time at the Box, and I do not wish to cut him off. Those who saw the very moving programme on BBC2 featuring Reg Keys will understand the true cost of war. For the last seven years, he has not been able to—

Paul Flynn: I am grateful to you, Mr Speaker.

My question is: what is the programme that will allow the loved ones of the 179 soldiers who died to have an opportunity to present their case? We know that those who are likely to be accused by the Chilcot report have already employed lawyers to go over their defences. We want to ensure that Parliament takes responsibility for a decision taken in this place in 2003 that resulted in the deaths of 179 of our brave soldiers, probably in vain, and the deaths of an uncounted number of other people. Chilcot must be debated fairly. What are the arrangements for doing that?

Chris Grayling: There is also some advice for a Speaker in waiting, which might be entirely appropriate for the hon. Member for Rhondda (Chris Bryant), who now has plenty of time to train himself preparing his campaign. Although we want to see him in his place for many years to come, we know that he is already getting his campaign team together.

I absolutely agree with the hon. Member for Newport West (Paul Flynn) on one point. This week we are all Welsh. I suspect that that even includes our good friends on the Scottish nationalist Benches. There is regret among the English over the result last week, and perhaps on the Scottish side over the qualification period, but we are all gunning for Wales to get to the final and do us all proud as a nation. We wish the team well, and we are all keeping our fingers crossed. We are all absolutely behind them.

I take the hon. Gentleman’s point about the history and traditions of the Welsh language, although I cannot quite imagine him and his colleagues dancing around covered in woad. I have to say to him that it has been decided many times over the years that the language of this place is English and, as I have already indicated, I do not propose to make any changes to that.

The hon. Gentleman asked about a second referendum. I am afraid that it just does not work like that, just as I am not going to ask for a rematch between Iceland and England. The people have spoken. We had a referendum and we have the result. That is democracy. If we have a general election and our side loses, we do not get another go a month later. We had a four-month debate, with arguments from both sides and huge amounts of information being set before the nations of this country to enable them to decide one way or the other. They have reached their decision, and it is now our job to follow that decision and to deliver the will of our people. I have to say that, after four months of hedging my bets and not always speaking for the Government on this matter, it is nice to be back and to be able to speak clearly for the whole Government in saying that we now need to get on with the job that the British people have given us.

As for the independent adviser on ministerial interests, the hon. Gentleman wants more investigations, but it could just be that there has been no basis for such investigations. If Members have concerns about the conduct of other Members, there are ways and means available to them within the procedures of this House. If the hon. Gentleman has concerns about what has happened, he can use those channels, but they should be used only when there is a genuine matter to investigate. It is for the Prime Minister and the adviser to decide what should happen. If they choose not to act, it is possible to pursue issues in the House.

Lastly, the Chilcot report is of course a matter of great seriousness. We of course recognise how important it is that we understand what happened and why it went wrong, but no one can say at this stage that the process has not been exhaustive. I wish that the report had been published years ago. I have agreed with the right hon. Member for Gordon (Alex Salmond) on many occasions that I wanted to see the report published and that is now happening—thank goodness—and not before time. There is not a single person on these Benches who does not wish that it had happened a long time ago, but it is going to come out next week. We will shortly set out
plans for how it will be debated in this House. It is right and proper that lessons should be learned, what happened should be considered and issues should be fully debated.

Mr Speaker: I am of course proud to have written the preface and to have hosted the launch of the most recent publication by the hon. Member for Newport West (Paul Flynn). It was a very happy occasion indeed.

Bob Blackman (Harrow East) (Con): The Chairman of the Backbench Business Committee is unfortunately unable to be here, so he has asked me to convey to the Leader of the House that, as a result of our great queue of Back-Bench business, we now how sufficient debates, including those announced by the Leader of the House, for six full days before we rise for the recess. I therefore trust that the Leader of the House will allocate some more time to the Backbench Business Committee so that we can honour all the applications.

This weekend sees the annual Al Quds Day demonstration. It ends in London and has increasingly become anti-Semitic, with some absolutely disgraceful slogans and flags of terrorist organisations being flown on the streets of Britain. It is paramount that the Government ensure that if anyone is guilty of committing a hate crime in that way, those people should be arrested and should face the full force of the law. I want the Leader of the House to ensure that that happens this weekend.

Chris Grayling: We will do our best for the Backbench Business Committee. It sounds like it is being quite ambitious, but we will see what we can do.

It is important to say that I clearly echo the words of my hon. Friend about hate crime in this country. I campaigned for Britain to leave the European Union, but I did not campaign for Britain to become an intolerant, racist nation. Racist or intolerant comments are utterly unacceptable. I deplore them, and they should be dealt with by the full force of the law.

Pete Wishart (Perth and North Perthshire) (SNP): I thank the Leader of the House for announcing the business for next week. We saw him in front of the cameras just over an hour ago when the whole nation was hoping and praying that he was going to throw his hat into the ring. Instead, he just became a cheerleader for the Home Secretary, who had a friend-winning message about “divisive nationalists”. I presume that she was referring to me and my hon. Friends.

I obviously also congratulate the hon. Member for Newport West (Paul Flynn) on assuming his new position. I am very fond of him and there should be more octogenarians on the Front Bench, but may I say ever so charitably that he was not exactly the first choice for this post? Labour has been scrambling around all week to fill it. However, regardless of what happens in the awful, raging civil war—a parliamentary party versus its membership—I hope that we will still find him in his place when it has all been concluded.

To the Leader of the House, I say well done. This is as much his wee victory as it is that of the hon. Member for Uxbridge and South Ruislip (Boris Johnson) and Nigel Farage and the rest of those UKIP acolytes. “To the victor, the spoils,” and what spoils he has: a divided country, a tanking economy, ugly racist attacks on the streets, a nation baffled and confused by the result, and a Government without an idea or a plan. The nation has every right to feel eternally grateful to the right hon. Member for Epsom and Ewell (Chris Grayling) for his stunning victory last week.

When will we get all the debates? When will we get the debate that clarifies when this £350 million a week will come back to the NHS, as promised by the right hon. Gentleman and his friends? When do we get the debate about the control of our borders—again, about immigration—that was promised by the right hon. Gentleman and his friends? When do we get even the start of a debate that suggests that the Government have a clue about how to take this whole thing forward? We desperately need a debate about the nations of the United Kingdom and how this will all work out. Scotland will not be taken out of the European Union against our national, collective will. We were forced to choose in a referendum that we did not want. We were forced to make a decision. We have given that decision and it is abundantly clear what Scotland wants, so when will the right hon. Gentleman respect the decision of the Scottish people?

Chris Grayling: I see that the hon. Gentleman is back on form. We did not, unfortunately, have the opportunity of forming the dream ticket to lead this country, since he is so determined not to be part of it. Look, Scotland voted to be part of the United Kingdom. The United Kingdom voted to leave the European Union. That, I am afraid, is democracy and we, as a Government, are democrats. We will listen to the will of our collective people across the United Kingdom of Great Britain and Northern Ireland, as supported in that Scottish referendum. I simply say that we will carry on governing for the whole United Kingdom. We will listen to the people of the whole United Kingdom. We will do the right thing for the whole United Kingdom, and Scotland is a part of the United Kingdom.

Philip Davies (Shipley) (Con): I congratulate the hon. Member for Newport West (Paul Flynn) on his position on the Front Bench. There is clearly hope for us all—if the hon. Gentleman can make it on to the Front Bench, anybody can. He is an inspiration to us all.

May we have a debate on the status of the referendum result so that we can find out who in this House is a true democrat and who is not? Before the referendum a Government document stated:

“The result of the referendum on the UK’s membership of the European Union will be final. The Government would have a democratic duty to give effect to the electorate’s decision.”

Will the Leader of the House confirm once and for all for everybody in the country, and particularly for the benefit of the BBC, whose hysterical coverage since the referendum has been nothing short of a disgrace, that we have had the result, that there is no need for any more campaigning, and that everyone must now get together to implement the will of the public? Does he accept that every single member of the Government must accept the result of the referendum and implement the will of the electorate?
Chris Grayling: It is very simple: we are a democracy; we vote; the result stands. If we have a general election and we are not successful—we Conservatives have experienced a few of them over the years—we sit on the Opposition Benches and do our best to oppose for the country; we do not sit there demanding another general election a month later. That is the way democracy works. The people have spoken; the Government will act.

Mr David Winnick (Walsall North) (Lab): May I tell the Leader of the House that the contribution of my somewhat younger parliamentary colleague, my hon. Friend the Member for Newport West (Paul Flynn), is an illustration of how the “Dad’s Army” here is always willing to give whatever assistance is necessary when firm leadership is lacking on both sides, as it is at present? On a more serious note that arises from various exchanges about the referendum result since Monday, would it not be useful for us to have an early debate on the alienation and resentment that are felt in so many parts of the country—certainly in the black country boroughs—which led, to a large extent, to the slight majority for leaving the EU? In the past few months and perhaps longer, the House of Commons has not understood sufficiently that feeling of resentment and alienation.

Mr Speaker: I ought to congratulate the hon. Gentleman, somewhat belatedly, on his recent birthday. Off the top of my head—if I am wrong, he will tell me—I think his birthday was last Sunday.

Mr Winnick: Indeed. One more step towards the century.

Chris Grayling: The hon. Gentleman is perhaps being a bit too pessimistic about his prospects. It does look as if there might be a Labour leadership contest shortly. Judging by the commitment coming from the octogenarians on the Labour Benches, one of them should perhaps put their hat into the ring.

On the impact of all the changes in recent years on the economy and on communities up and down the country, one of the Government’s achievements that I am proudest of is the huge fall—more than half a million—in the number of children growing up in workless households. That will transform the lives of those children, with their parents getting up in the morning and going to work with a sense of purpose and direction, I am really proud that my party has contributed to achieving that in government.

Jason McCartney (Colne Valley) (Con): I thank the Leader of the House for announcing that we will have a debate on online abuse next week. Does he agree that we all need to accept the result of the EU referendum with respect and good grace? We all need to work together to get the best result for Britain, and we must all stand up against racism, extremism and abuse from all sides of the political divide and the referendum divide.

Chris Grayling: My hon. Friend’s words speak for themselves. I reiterate that I absolutely, unequivocally condemn any racist attacks, racist abuse and xenophobic abuse in this country. It is not acceptable, it should not be permitted, it is illegal, and it should be dealt with accordingly.

I did not refer in my remarks to the issue of security for Members, but I should do so briefly. I would simply say two things. The first is that, since the tragic loss of Jo Cox, a considerable amount of work has been taking place on this important issue. I and the Chairman of Ways and Means will bring back further thoughts to the House shortly, but I want to reassure Members that this is very much a matter of concern for us and something that we are giving our attention.

Given the comments that my hon. Friend makes, I should say that it is also a matter of concern that Members of the House continue to be subject to some pretty unpleasant abuse on social media. That is being discussed by the police and it is something on which I want firm action. It is not acceptable in any way, shape or form that female colleagues, in particular, get the kind of abuse they have been receiving. It must stop, and we must deal with it appropriately.

Alan Brown (Kilmarnock and Loudoun) (SNP): Another aspect of the leave campaign, which the Leader of the House was part of, was that it wrongly stated that EU decisions are taken by unelected bureaucrats. Given that attitude to unelected bureaucrats, when will the Leader of the House commit to getting rid of the more than 800 life peers next door who are unelected bureaucrats?

Chris Grayling: I know the SNP feels deeply committed to abolishing the House of Lords, but right now, I am afraid, we have other priorities as a nation.

Chris Davies (Brecon and Radnorshire) (Con): As the only Welsh Member in his place this morning—[Interruption.] On this side of the House. May I—[Interruption.] Members evidently missed the last election.

May I offer my congratulations to the hon. Member for Newport West (Paul Flynn) on his great elevation? I wish him many long hours—I am sure they will be long for Government Members—and happy years in his role.

High VAT rates have blighted the tourism industry in our country for too long. Areas such as mine, which recently welcomed large numbers of tourists to the Hay literary festival, and is now looking forward to the world-renowned Royal Welsh show, are hotbeds for that industry, but it is being held back by high VAT rates. Can we therefore have a debate on what could be done to lower VAT rates for the British tourism industry so that it is among the most competitive in the world?

Chris Grayling: Regardless of what one’s views about the referendum might have been, we will, after the Government fulfil the wishes of the people, be able to make modifications to VAT rates in a way that would not previously have been permissible. The Government then will be able to focus on issues such as the future of the tourism industry to a greater degree than has been the case in the past.

Paula Sherriff (Dewsbury) (Lab): A constituent of mine cares for his severely disabled mother and also works 16 hours a week. Due to the increase in the minimum wage and the freeze on the earnings threshold
[Paula Sherriff]

for carer’s allowance, he is now more than £3,200 a year worse off. He is not alone—many thousands are in the same position. The Government claim to care for the most vulnerable in our society, and they always say that they want to make work pay, but it clearly does not. May we have an urgent debate on this issue?

Chris Grayling: That is precisely the purpose of universal credit. The hon. Lady is absolutely right that there have been some extraordinary cliff edges in our welfare system. We are now implementing universal credit around the country. It is being rolled out in geographic areas and among different categories of claimants. When it is finished, it will make a transformational difference to precisely the kind of circumstances she has described.

John Howell (Henley) (Con): In a week that has seen the start of the Henley regatta, will my right hon. Friend agree to a debate on the important role that rowing plays in our national life, and, contrary to the image that has been created, the contribution that it makes to young people’s sporting activities?

Chris Grayling: My hon. Friend makes an important point. I commend everybody in his constituency for the work they put into making the Henley regatta such a successful international event. Rowing is a sport we should be proud of, and a sport we have excelled at in Olympic games. When the Rio games start, I hope that we will again be immensely successful, win lots of medals, and be proud of the athletes who make a difference to our country in that sport. I commend those in Henley for the work that they do, because the regatta is a part of the success that the sport has enjoyed on behalf of our country in recent years.

Mr Nigel Dodds (Belfast North) (DUP): It was with regret that we learned of yet another deferral of the decision about runway capacity in the south-east of England. I understand the context in which this is happening, but surely decisions about the security and defence of the country cannot be deferred. Will the Leader of the House indicate when we are likely to get a vote on the renewal of Trident?

Chris Grayling: We are considering that at the moment, and I intend to come back to the House to provide more information in due course. However, I understand the concern of many Members and that they want to have that vote. It is certainly on the Government’s mind.

Mr David Burrowes (Enfield, Southgate) (Con): May we have a debate about fair health funding for Enfield? The crisis facing North Middlesex hospital is aggravated by a tale of two health cities within London. Boroughs such as Camden and Islington are receiving the lion’s share, while the gap between the funding and needs of poorer Enfield continues to grow. We in Enfield need fair funding, and we need it now.

Chris Grayling: As ever, my hon. Friend is a fierce advocate for his constituency. The Secretary of State for Health will take questions here on Tuesday and I am sure he will be very happy to respond to that issue, which I understand is a matter of concern to my hon. Friend.

Ian Murray (Edinburgh South) (Lab): May I follow up the unanswered question from the hon. Member for Perth and North Perthshire (Pete Wishart) and ask for an urgent debate or statement on when Scotland will get the Barnett consequential in relation to the £350 million that was promised to the English NHS? If that is not coming to Scotland, although it was promised on the side of the leave bus, would the Leader of the House, who I know is an honourable man, like to apologise to the country now?

Chris Grayling: First, I express my good wishes to the hon. Gentleman after his change of role this week. I am sure that in due course he will return to his position as shadow Scottish Secretary. I pay tribute to him for the bravery he has shown. The Government’s position is that we have to negotiate carefully a way out of the European Union. Of course, until we have done so—until we have left the European Union—we carry on making contributions as normal.

Mr Philip Hollobone (Kettering) (Con): May we have a debate in Government time on the involvement of celebrities in politics? On referendum night a week ago, the pro-remain American actress, Lindsay Lohan, in a series of bizarre tweets, slagged off areas of this country that voted to leave the European Union. At one point she directed a fierce and offensive tweet at Kettering, claiming that she had never heard of it and implying that no one knew where it was. Apart from the fact that it might be the most average town in the country, everyone knows where Kettering is. It is famous as the home of Weetabix breakfast cereal, and Cheaney and Loake shoes, and Kettering Town football club has scored more goals in the history of the FA cup than any other football team in the country. Will my right hon. Friend support my invitation to Lindsay Lohan to come and switch on the Christmas lights in Kettering this Christmas, thus redeeming her political reputation and raising money for good causes?

Mr Speaker: In my mind, Kettering is principally famous for the hon. Gentleman.

Chris Grayling: As those of us who have children will know, Lindsay Lohan, a star of child and teen movies, who was a very entertaining actress at the time, has not necessarily fulfilled her professional potential over the years, and perhaps now we know why, because had she visited Kettering, she might have seen her career turn around. She should accept my hon. Friend’s invitation, visit the fine town of Kettering and find herself returned to stardom.

Alex Salmond (Gordon) (SNP): May we have a week-long debate on the subject of political back-stabbing? We will need a week, because all the parliamentary Labour party will want to take part, but they are rank amateurs compared with the right hon. Member for Surrey Heath (Michael Gove)—the Lord Macbeth of this Chamber—who, having dispatched the Prime Minister, is today dispatching the Prime Minister’s greatest rival. What
makes the Leader of the House think that Lord Macbeth’s dagger will not soon be turned towards him and the Home Secretary?

Chris Grayling: My right hon. Friend the Member for Surrey Heath (Michael Gove) was an excellent Education Secretary and Chief Whip, and he is now doing an excellent job in his role as Lord Chancellor, which I used to perform. He has friends on, and the confidence of, this side of the House, and he is a formidable adversary of the Scottish National party.

Jo Churchill (Bury St Edmunds) (Con): Will the Leader of the House assure us that two strands that are of particular interest to our business community will be discussed at some length? The first—this has been brought up—is confirmation that we will carry on with our commitment to large-scale infrastructure projects up and down the country to ensure that stability, calmness and jobs continue. The second is that the special Cabinet unit for the EU makes full use of industry experts and leaders in key areas outside the Government to ensure that our negotiators will be fully briefed, will have clear objectives and will be good to go when required.

Chris Grayling: Let us be absolutely clear that we may be electing a new leader, and hence a new Prime Minister, but this Government’s strategy has not changed and will not change. As well as continuing to pursue a one nation agenda, we will continue the modernisation of our infrastructure, where we have made a real difference. When I was shadow Transport Secretary a decade ago, I remember going around the country and campaigning with colleagues for infrastructure improvements that they said were desperately needed. Now, when I drive around the country, I see that those projects have either been finished or are being built. I am proud of what we are doing for our infrastructure.

On the team negotiating our future relationship with the European Union, it is my and the Government’s view that we should draw from the broadest possible expertise to make sure that our strategy is the right one for this country.

Kevin Brennan (Cardiff West) (Lab): The Leader of the House has said that a huge amount of information was set before the country in the EU referendum. A Vote Leave campaign leaflet said:

“The EU costs us £350 million per week—we could spend that on the NHS instead.”

Is it not the truth that a huge amount of misinformation was placed before the country? When can we debate when we are going to get that £350 million?

Chris Grayling: Let us be clear: the Government have this week set out in this House the first steps that we are taking towards negotiating our exit from the European Union. The hon. Gentleman will know that, while we remain members of the European Union—as we are today—our normal contributions will continue. When we leave, we will no longer make a contribution to the European Union in the way that we do now.

Tom Pursglove (Corby) (Con): Given that we have had recess periods over the past few weeks, will a Minister make a statement next week about the steel industry? It is really important that steel workers and Members of Parliament know exactly what is happening and are kept up to date with the situation.

Chris Grayling: I understand my hon. Friend’s concerns and I will make sure that they are passed on to the Business Secretary today. It would be most helpful for him and other MPs who represent steel-producing areas to get an update from the Department as quickly as possible, and I will see if that can be done.

Tom Brake (Carshalton and Wallington) (LD): Chilcot should provide closure for families of armed forces personnel on a sad and murky chapter of our recent history, as well as further vindication of the stance adopted by my then leader, Charles Kennedy. I am convinced that hundreds of Members will want an extended debate on the report. Will the Leader of the House therefore ensure that two consecutive days are made available to debate Chilcot before the summer recess?

Chris Grayling: I understand the desire to debate Chilcot in the House. We are discussing that at the moment and we will set out plans shortly. I have announced business until only Monday week and I am aware of the issues raised by the right hon. Gentleman.

Martin Vickers (Cleethorpes) (Con): Last weekend, upwards of 150,000 people visited Cleethorpes for events connected to national Armed Forces Day. That clearly demonstrates our local communities’ commitment to and support for those who have served in the military past and present. Could we have a debate to consider further developments relating to the military covenant and how we support the welfare of those who have served?

Chris Grayling: I agree with my hon. Friend. I pay tribute to the people of Cleethorpes for organising such an important event last week, and to all those who are celebrating and commemorating, with poignancy, the anniversary of the Battle of the Somme. We should always value the people who serve this country in our armed forces. I hope that the weather brightens up and that the flow of people into Cleethorpes this summer grows rather than diminishes.

Mr Dennis Skinner (Bolsover) (Lab): Now we know that, according to what he has just said, the national health service will get more money, will the Leader of the House make a statement and tell the Secretary of State for Health that the Hardwick commissioning group in Derbyshire, which proposes to close the Bolsover and Bakewell hospitals, should keep those hospitals open because we have got the money?

Chris Grayling: Knowing what a formidable campaigner the hon. Gentleman is, I think it would be a bold person who tried to make changes in his constituency. I do not know about the local circumstances, but regardless of the process for the negotiation of our exit from the European Union, we are spending, and will continue to spend, more money on the national health service.

Mr David Nuttall (Bury North) (Con): May we have a debate on what we can do to improve the understanding—including, it seems, even among some Members of this
House—of how democracy works? It really is quite simple. In a referendum, when one side gets more than a million votes more than the other, that side has won.

Chris Grayling: My hon. Friend is absolutely right. The important thing now is not to pursue an illusion that one can simply rewrite democracy because one does not like the result. We must get on with the job of doing the right thing for the country, and negotiating and planning our exit in the best way for this country. We must also take real advantage of the opportunity that this brings to our country of forging new trade partnerships around the world. I am very encouraged that only this week the Speaker of the House of Representatives, Paul Ryan, said clearly that he wants the United States to take an early step towards agreeing a free trade agreement with the United Kingdom. That is the kind of opportunity now available to us.

Joan Ryan (Enfield North) (Lab): The Care Quality Commission has ordered North Middlesex University Hospital Trust significantly to improve the treatment of patients attending the emergency department. We face the possible closure of the emergency department on safety grounds; we have a shortage of consultants and senior doctors; and, in an unprecedented move, the General Medical Council and Health Education England are threatening to withdraw junior doctors from the hospital because of inadequate support. This is a disaster for the hospital and for everybody who uses it. The emergency department is one of the busiest in London, and probably nationally. Its closure would have a domino effect on all the surrounding hospitals. This is a national situation, because it is due to Government policy and a shortage of doctors. May we have an urgent debate on this crisis?

Chris Grayling: I absolutely understand the concerns of the right hon. Lady’s constituents, although she will agree that the care that her constituents receive is of paramount importance. The reality is that there are hospitals in the NHS and in London that are doing very well. If there are hospitals that are not doing well, it is not necessarily a national policy issue; it is about sorting out why some are doing well and some are not, and ensuring that best practice is spread across the whole health service.

Peter Kyle (Hove) (Lab): Even though the right hon. Gentleman and I are on different sides of the referendum debate, I am sure that we both want to move forward in the right way, and to get the detail right. Once the Government have agreed the terms of negotiation, will the Leader of the House at that point give Members enough time to debate those terms in the Chamber, compare them with the promises made by the leave campaign and make sure that what the public voted on was the right thing?

Chris Grayling: I am absolutely certain that over the next few months, as we prepare our strategy for negotiation and as we begin the negotiations, the Government will wish to provide ample occasion for what is being done to be discussed and debated in this House.

Valerie Vaz (Walsall South) (Lab): That is why we need an urgent statement on the unit that has been set up following the referendum. We need to know whether there are sufficient numbers of civil servants and sufficient expertise, and what their work programme is. After all, treaties are going to be unravelled.

Chris Grayling: We will keep the House informed, clearly, but that work has only just started. We are assembling the team at the moment. We have appointed the man who is going to lead it, and the Government will keep this House informed as we move forward. The Prime Minister made a very full statement on Monday—only three days ago—and he will be back in this House next week. Obviously, we will want to make sure that Members have every opportunity to question us about what we are doing.

Robert Flello (Stoke-on-Trent South) (Lab): The Leader of the House has clearly been very busy with his reading, not only of the book by my hon. Friend the Member for Newport West (Paul Flynn), but of H. E. Bates’s “The Darling Buds of May”.

In all seriousness, may we have a lengthy debate in this Chamber about the many concerns of our constituents? Mine voted overwhelmingly to leave—I respect them for that, even though it was not my view—and I will work very hard to make sure that we leave in good order and that it is done properly. May we have a debate about those concerns, such as those of the ceramics industry? We need to air all those concerns and get them out in the open before the unit starts its work.

Chris Grayling: We have of course already debated these issues this week.

Robert Flello: That was a statement. I want a proper debate.

Chris Grayling: We also had a debate yesterday about this important matter. We will make sure that there plenty of such opportunities, and more to the point, that we consult extensively. It is really important that we get this right, and yes, that we listen to industries, such as the ceramics industry, so that we can understand how best to look after their interests in the negotiations that lie ahead. I give the House an absolute assurance that every member of the Government and, indeed, the many people outside Government whom we will want to take part in this process will work absolutely assiduously to make sure we do the right thing for Britain.

Mark Durkan (Foyle) (SDLP): I note the Leader of the House’s inadvertent honesty in telling the Chamber that we now have “carry-on Government”. He is obviously proud of his role in the referendum and he is also proud of his role in giving us English votes for English laws, but can he marry those two with English votes for English exits?

Chris Grayling: I know that the hon. Gentleman takes such a view. My view is very straightforward: we are one United Kingdom, we remain one United Kingdom and, given the opportunities in the world, we must absolutely plan our future as one United Kingdom. As we forge new trade deals around the world and businesses take advantage of new opportunities with the countries...
now telling us that when we leave the European Union they will want to forge new trade ties with us, I have to say that I would be deeply saddened and would hate it if any part of our current United Kingdom lost out on those opportunities.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): After the momentous and tragic decision that the British people made last Thursday, are we in a position efficiently to hold to account the people who championed Brexit? The livelihoods of people in my constituency—those who work in the university, the textiles industry or manufacturing—are seriously threatened. In view of its present make-up, is the House of Commons able to assess what the damage is and how we can put it right, and can we hold to account those who made false promises?

Chris Grayling: I really do not think anyone can say, after the past four months, that inadequate arguments were made to the United Kingdom. People had the opportunity to set out their views, analyses, statistics and reports exhaustively. The British public were not short of information on which to base their decision. They have decided, and it is now our job to make sure that the decision they have taken for our country is implemented in the best possible way for the future of all of us.

Diana Johnson (Kingston upon Hull North) (Lab): May we have a debate in Government time on the impact of leaving the EU on important infrastructure investment in the north, particularly in relation to the northern powerhouse and the devolution agenda? A lot of Labour Members are very concerned that our northern constituencies, which voted to come out of the EU, will now face large gaps in the funding we had been hoping for, particularly for rail electrification in the north.

Chris Grayling: The Government remain committed to the northern powerhouse and to investing in it. That is an immensely important part of the strategy for us politically, for the country and for the communities that the hon. Lady and others represent in the north.

Imran Hussain (Bradford East) (Lab): Today is the deadline for bids to host the Great Exhibition of the North in 2018. My home city of Bradford has already submitted a bid, which I believe, with an excellent vision and venue, is a strong contender. The Great Exhibition of the North will celebrate the huge cultural and economic contributions, past and present, that the north of England has made and is making to the rest of the UK. I urge the Leader of the House to allocate time for a debate on this very important subject.

Chris Grayling: I wish everyone in Bradford well with that bid. Bradford is a city that feels transformed. The centre has changed and things are happening there to really take the city forward. I am sure that everyone in Bradford is pleased about and proud of that. I hope that the bid does not simply celebrate the past and present, but sets a path for the future, given the contribution that the hon. Gentleman’s constituency and other communities in Yorkshire can make to our country.

George Kerevan (East Lothian) (SNP): Will the Leader of the House arrange for an urgent statement on significant changes introduced by the Department for Work and Pensions to how it deals with MPs’ queries on universal credit? My constituency of East Lothian is one of the first to have the full service roll-out, and there are lots of transitional problems. Unfortunately, the DWP MP hotline no longer takes queries on the full service roll-out, and I am being redirected to a DWP office in Bolton that will handle queries only by mail. That is insufficient.

Chris Grayling: I was not aware of that. I will have a word with the Secretary of State and see whether we can get a proper response to the hon. Gentleman.

Liz McInnes (Heywood and Middleton) (Lab): Yesterday the Prime Minister claimed yet again that The Smiths were his favourite band—I am sure he will be hearing from Johnny Marr soon, if he has not already—but his mishandling of the EU referendum has been less “This Charming Man” and much more “Bignight Strikes Again”. May we have an urgent debate on the effect of the referendum result on 16 to 18-year-olds in the UK, who were denied any say in their future and on their place in Europe?

Chris Grayling: I am afraid that I cannot comment on Smiths lyrics, as I am a Pink Floyd fan—indeed, 30 years on I still spend many happy hours listening to “The Dark Side of the Moon”. I know that the debate on the subject of votes for 16 and 17-year-olds has been a lively one, but it remains Government policy that the right age to begin voting is 18. It will continue to be a matter for debate, and Opposition Members who wish to bring it before the British people will be able to put it in their next manifesto, if indeed they are organised enough to have one.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): May we have a debate on palliative care? I recently had the great privilege of visiting the newly opened Kilbryde hospice in my constituency to support its great work. It is extremely important that those in the last stages of their life are able to have their cases heard in Parliament and that we take forward debate on that swiftly.

Chris Grayling: I welcome the opening of the new hospice in the hon. Lady's constituency. We all owe a huge amount to those who work in palliative care. It is an enormously challenging but enormously compassionate, kind and caring area of our society. I am sure we all pay tribute to all those who work to make the last days of those suffering from serious illness happy rather than difficult.

Neil Coyle (Bermondsey and Old Southwark) (Lab): Owing to the Government's misunderstanding of supported accommodation, they have had to launch a review of their own policy on it. The review is being led by a Minister in the other House. While it is underway, councils, housing associations and thousands of my constituents are left in limbo, unable to plan for the future. When will Members of this House get the chance to debate that review in Government time, and when does the Leader of the House expect it to report?

Chris Grayling: I do not know when the review will report. It is right and proper—all Members would expect it—that the Government listen if the House
[Chris Grayling]

believes that we have got something wrong. The case the hon. Gentleman raises is clearly one where we have listened, and have looked in more detail at what is being done. We will bring the report back to this House in due course and there will be an opportunity to question Ministers about it.

Caroline Lucas (Brighton, Pavilion) (Green): So as to ensure proper parliamentary scrutiny, will the Leader of the House use his best offices to ensure that there is no invocation of article 50 of the Lisbon treaty unless and until the full proposals that the Government intend to submit to the Commission to activate the process of withdrawal from the EU have been debated in full and voted on by Parliament?

Chris Grayling: We will have plenty of opportunities throughout the autumn to discuss and debate what is planned. That is something for the new Government and new Prime Minister to decide in September.

Danny Kinahan (South Antrim) (UUP): I congratulate Wales on getting through in the European championship, and wish them the best of luck. Will the Leader of the House congratulate the Northern Ireland fans and Irish fans, who are being given an award by the Paris Mayor for their behaviour and humour? I hesitate to mention that humour, but when the fans start singing “Away in a Manger”, we might wonder where it is going until they get to the words “looked down where he lay” and instead they all chant “Healy”, although David Healy is not even playing; we then realise there is a terrific humour in that. Will he congratulate those fans, and all the other fans from everywhere else who have behaved themselves?

Chris Grayling: The Northern Ireland team and the Republic of Ireland team both played with great fortitude. Although we are all Welsh now, I have to say, as I believe Chris Coleman said at the end of the match, that Wales did not really deserve the result they got. Wales have played brilliantly in some of their games and made it through to the quarter finals, and we hope they will go much further, but Northern Ireland did the whole of the United Kingdom proud, too.

Mrs Madeleine Moon (Bridgend) (Lab): Much of the anti-immigration rhetoric in the Brexit debate was driven by the lack of availability of housing, in particular secure social housing tenancies that give families security and stability. May we expect a Government statement on their joining the Welsh Assembly Government in removing the right to buy and the right to acquire? Will we have a statement on ensuring an appropriate level of new investment in social housing for the United Kingdom?

Chris Grayling: There are two separate points here. We believe in home ownership; we believe people should have the right to own their homes. One reason it has for a long time been Government policy to reduce levels of immigration is that it puts pressure on public services, pressure on infrastructure and pressure on housing. First and foremost, we have to make sure we can make the provision we need for the next generation here.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): A constituent of mine, who was one of my earliest cases just over a year ago, was despite my best efforts due to be deported on Tuesday morning, after I met her at Colebrook community centre on Monday. The removal did not go ahead as she is now back at Yarl’s Wood recovering from injuries allegedly inflicted by the five guards who travelled with her to the plane. Indeed, this alleged brutality was so severe that passengers on the plane tried to intervene and she was bundled back into the van. In the light of this, will the Leader of the House ensure we have a debate to discuss the treatment of those who claim asylum in this country?

Chris Grayling: Clearly, I cannot comment on the detail of such a case. I simply say it is obviously right and appropriate that anyone in our asylum system is treated with decency, but it is also the case that if people do not have the legal right to be here it is appropriate that we take them and deport them.

Patrick Grady (Glasgow North) (SNP): Do the Government really believe that the current private Members’ Bill system is perfect? The right hon. Gentleman has slapped down the Procedure Committee’s recommendations, but will he at least make Government time on the Floor of the House so that the whole House can have its say and have a vote on the recommendations?

Chris Grayling: My response said precisely that. It is right and proper that it should be a Back-Bench debate, because this is a debate about private Members’ Bills, which are a Back-Bench activity. Of course, the Backbench Business Committee can organise such a debate any time it wishes. My recommendation was that the debate take place before we assess how broadly the proposals are supported.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): Between this place, the other place and the European Parliament, about 52.5% of our lawmakers are currently unelected. When the UK leaves the EU, that will rise to 55%. After the boundary review, it will rise again to 57%. May we have a debate on potential reform of our democratic process and reopen discussions on plans for a reduction in constituencies before we slide further into this severe democratic deficit?

Chris Grayling: The Scottish National party will have a number of days in this Session available to it for debate. It is welcome to bring forward this subject for debate if it chooses to do so. As I said earlier, reform of the House of Lords is not something I regard as a priority for this country.
Points of Order

11.34 am

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): On a point of order, Mr Speaker. It is a matter of some concern that, given the attack on the airport in Istanbul, we have heard nothing from the Foreign Secretary on what consular help might be available to affected UK citizens, what support services might be available, or even, if any UK citizens have been affected, what that means for security in the region and in the UK. I appreciate that the Government are embroiled in a leadership contest and the Opposition are involved in a leadership challenge, but the people of this country are entitled to have the business of the day continue. Can you advise me, Mr Speaker, on how I can obtain such information? I did not ask for a statement during business questions, because I do not believe that this is a matter for run-of-the-mill weekly business questions. It deserves the urgent attention of the House.

Mr Speaker: I am grateful to the hon. Lady for her point of order. I am not aware, as things stand, of any imminent intention on the part of a Minister to make a statement on this matter, but I have taken careful note of what she says. I rather imagine that her concern will be shared in all parts of the House. Suffice it to say that I think it not unreasonable to hope—and, perhaps, to expect—that a ministerial statement will be forthcoming early next week. If that proves not to be the case, or if there are those who seek an insurance policy in case it does not transpire, she will be aware of the instruments available to Members who wish to bring urgent matters to the attention of the House.

Barry Gardiner (Brent North) (Lab): On a point of order, Mr Speaker. Today, Thursday 30 June 2016, is the final day for the Secretary of State for Energy and Climate Change to set the fifth carbon budget. Meeting the deadline is a statutory duty under section 4 of the Climate Change Act 2008. Today the Government laid a draft statutory instrument publishing their intention to set a budget of 1,725 million tonnes of carbon dioxide equivalents, but as you will be aware, under section 8 of the Act, simply publishing the level of the budget will not suffice:

“The Secretary of State must set the carbon budget for a budgetary period by order.”

The Act also specifies that it is subject to the affirmative resolution procedure.

Simply announcing the Government’s intended carbon budget today, therefore, is not adequate to fulfil the statutory duties placed upon the Secretary of State by the Act. The Act requires the order to be set, not just a draft order to be laid. Mr Speaker, you will be acutely aware of the importance of investors having confidence in the statutory undergirding of our country’s energy and climate change policies. Have you received any notification from the Secretary of State of her intention to come to the House to explain why she is in breach of her statutory duty and to confirm that she will take the steps, which the Clerks advise me could still be taken, necessary to set the fifth carbon budget today?

Mr Speaker: The statutory instrument will come to the House, and one rather imagines that it will do so ere long. The point made by the hon. Gentleman from the Front Bench can be ventilated very fully—possible amplified by others—in the course of that debate. It is not for me to adjudicate on whether the Government are, or are not, in breach of their statutory duty, but he has made his point with considerable force, and it was earlier communicated to me in written form, so I know that he has thought through the matter very fully. I hope that he can elicit a response from the Government through the normal diplomatic channels that exist between the two Front Benches. If, however, he remains dissatisfied, I rather imagine that he will return to the matter early next week. Clearly, it is important that progress on the issue be timely. I hope that that point has been heard on the Treasury Bench.
Backbench Business

Land Registry

[Relevant documents: Tenth Report from the Public Administration Select Committee, Session 2013-14, Statistics and Open Data: Harvesting unused knowledge, empowering citizens and improving public services, HC 564.]

Mr Speaker: I inform those attending to our proceedings that the debate on today’s motion is the first under the auspices of the Backbench Business Committee. I call Mr David Lammy to move the motion.

11.38 am

Mr David Lammy (Tottenham) (Lab): I beg to move, That this House notes the important role the Land Registry plays in registering the ownership of land and property in England and Wales; further notes that the Land Registry has made a surplus in 19 of the last 20 years and paid back £120 million to the public purse in 2015 alone; believes that any privatisation of the Land Registry will have serious consequences for transparency and accountability in the UK property market and hinder efforts to crack down on corruption and money entering the UK property market via offshore jurisdictions; expresses grave concern that all the potential bidders for the Land Registry have been found to be linked to offshore tax havens; notes that the Government has acknowledged that property can provide a convenient vehicle for hiding the proceeds of criminal activity; opposes the proposed privatisation of the Land Registry; and calls on the Government to reconsider that proposed privatisation.

I thank Backbench Business Committee for enabling me to bring this important debate before the House. In supporting this motion, signing the letter I sent to the Chief Secretary to the Treasury on 2 June and signing early-day motion 160, well over 100 Members drawn from eight political parties have made clear their opposition to the privatisation of the Land Registry. I hope that the Government will take note of the strength of opposition to the proposal before it is too late.

Robert Flello (Stoke-on-Trent South) (Lab): I congratulate my right hon. Friend on securing this debate. I am sure that, like me and almost every Member of this House, he has been inundated with emails on the subject.

Our constituents are up in arms.

Mr Lammy: My hon. Friend makes an excellent point. In these troubled times, when confidence in this House and in major political parties is at a low ebb, it is important to recognise the institutions that the public hold dear, of which the Land Registry is certainly one. As a former Minister who had responsibility for the Land Registry, I am well aware of the valuable roles it plays.

Mrs Madeleine Moon (Bridgend) (Lab): Does my right hon. Friend think that the privatisation proposal has been driven by a desire to maintain the professionalism, integrity and impartiality of the Land Registry or by a petty desire for a short-term and dangerous input of cash to the hard-pressed Treasury? Which is it?

Mr Lammy: I have a feeling that my right hon. Friend is clear about which side of the argument she is on. This Minister is not a bad man, so we will be interested in what he has to say—and which side he will pick in the forthcoming leadership battle.

Mr Jim Cunningham (Coventry South) (Lab): I congratulate my right hon. Friend on securing this debate. Does he agree that the proposal is an ideologically driven attempt to reduce transparency?

Mr Lammy: My hon. Friend makes a serious point. According to the Government’s answer to my written questions tabled earlier this month, “No decision has been taken on the future of Land Registry.” I fully expect that line to be trotted out later today, but the serious questions that hon. Members are raising about transparency in this important institution must be heard.

Caroline Lucas (Brighton, Pavilion) (Green): I congratulate my right hon. Friend on securing this debate. Does he agree that privatisation would give the new owner a monopoly on commercially valuable data, with no incentive to improve access to it? Does he also agree that information about land and property ownership is vital for local communities and that they should have more access to it, not less?

Mr Lammy: I entirely agree, and indeed I pay tribute to my hon. Friend, whose party has for a considerable time been one of the custodians of our land. That is why this is such a serious issue.
Mr Gareth Thomas (Harrow West) (Lab/Co-op): Further to the point made by the hon. Member for Brighton, Pavilion (Caroline Lucas), does my right hon. Friend accept that many businesses that work in property and data are also concerned about the possible privatisation of the Land Registry? They worry that a privatised Land Registry would see the new business owner seeking to extract maximum value from the business, rather than trying to improve access to the data.

Mr Lammy: My hon. Friend is absolutely right. There is deep concern about a hike in fees and a profit motive distorting a public institution that we all value. I hope that the Minister will take that on board and give the House some comfort on that coming hours. I give way to the right hon. Gentleman.

Sir Peter Bottomley (Worthing West) (Con): My wife is right hon., not me.

Were I not going to a Somme service in my constituency, I would try to take part at length in this debate. Is not the issue this? Whatever safeguards the Government want to build, commercialisation should be the Land Registry’s decision, not the decision of some commercial owner of the Land Registry. The issue is, therefore: can Government understand—I know that my hon. Friend the Member for Brighton, Kemptown (Simon Kirby), who is on the Front Bench, understands because I have written to him about it, as my Whip—that many of us here want the Land Registry to have the opportunity of creating innovative, value-creating enterprises? It should not be sold off for that to happen—it is not necessary.

Mr Lammy: The hon. Gentleman is demonstrating why he should be a Privy Council who and why he has been knighted. The Government should accept the cogent case being made by esteemed Members on the Government Benches. We are aware that there is a general sense that the Government are itching to privatised the Land Registry. Unlike with the 2014 consultation, this time around the status quo is not even being offered as an option. The wording of the consultation document is focused on how, not if, the Land Registry operation should be moved to the private sector. We know that the Government have commissioned bankers at Rothschild to size it up. We also know that potential buyers are linked to offshore tax havens. I am here today, alongside colleagues across the House, to make our opposition known and to call on the Government to think again.

Valerie Vaz (Walsall South) (Lab): I congratulate my right hon. Friend on securing the debate. As a solicitor, I have often had to use the Land Registry. He is making the economic case for non-privatisation. Does he agree that the Land Registry is entirely self-funding? In fact, it has returned £126 million to the Treasury.

Mr Lammy: I am grateful to my hon. Friend for her intervention. I will repeat that point later.

Several hon. Members rose—

Mr Lammy: If the House will forgive me, I will make some progress, because so many Members want to speak.

The recording of land and property ownership is integral to the functioning of our economy and has been carried out with integrity and impartiality by the Land Registry since 1862. Indeed, the Land Registry’s reputation as wholly independent from the influence and pressures of the market is crucial to its work. The current consultation exercise tries to preserve that necessary independence by attempting to create an artificial distinction between “Land Register ownership” and a new company which “delivers Land Registry services”. That is totally meaningless in practice. While the Government claim they will retain “ownership” of the land register, a private company would be free to grant title and make changes to the register as transactions occur. The consultation document talks of putting “the right protections in place” to ensure that the Land Registry would continue to deliver an impartial service to customers. However, there is absolutely no detail about what those protections and safeguards might be. In the words of John Manthorpe, former Chief Land Registrar, “at the heart of this is the nonsense that a private company should have the power to decide the legal land and property title rights for others”.

The Department for Business, Innovation and Skills is yet to publish the responses to the latest consultation, but I have taken the time to read through the responses to the January 2014 consultation. I quote Clifford Chance, the law firm, certainly no stranger to the profit motive or enemy of the private sector, which said that privatisation would create: “An inherent conflict between a private sector company, whose main purpose is to maximise shareholders’ profits, and the need of consumers for a low cost, high quality and risk free service”.

Liz Kendall (Leicester West) (Lab): Does my right hon. Friend agree that although the Government say that they will retain ownership of the land register, that is completely meaningless while millions of changes are progressively made to it by the private company? Is that not the key issue? In the words of John Manthorpe, the former Chief Land Registrar whom my right hon. Friend has quoted, the proposal does not stand up to “any reasoned scrutiny”.

Mr Lammy: I am very grateful to my hon. Friend, who is absolutely right. Most registrars in the country are opposed to this act.

Dr Rupa Huq (Ealing Central and Acton) (Lab): My right hon. Friend mentioned the 2014 consultation, in which only 5% of respondents thought that privatisation was a good idea. My right hon. Friend and I are both London MPs, and the market in London is complicated enough as it is. Anything that will complicate things even further cannot be a good idea. If every professional in the sector is condemning these proposals, surely the Government should listen.

Mr Lammy: My hon. Friend is exactly right; I agree with her 100%.

Lilian Greenwood (Nottingham South) (Lab): Will my right hon. Friend give way?

Mr Lammy: I will once more, but then I must make progress because so many Members want to speak.

Lilian Greenwood: I thank my right hon. Friend and congratulate him on securing this debate, which is very much welcomed by the 400 or more people in my constituency who work at the Land Registry. Does he...
agree that this proposal not only flies in the face of professional opinion, but comes at the worst possible time, demonstrates short-term thinking and represents poor value for money? Is the economic uncertainty created by the referendum result last week not an additional reason for the Government to drop these proposals?

Mr Lammy: My hon. Friend makes a very serious point. Even if there were a case for these proposals—I suspect all of us agree that there is no case—now cannot be the time to continue with them. There is no doubt that a private company would seek a profit and become a compulsory monopoly business, driving up the fees charged to users—the point raised by my hon. Friend the Member for Harrow West (Mr Thomas). A sale price of about £100 billion has been mooted in the press. A private company would therefore look to recoup this investment through the fees it charges and then turn a profit for its shareholders.

The argument we often hear in favour of privatisation is that competition will drive prices down, but this completely disregards the fact that the Land Registry is a unique asset in our lives. It is one of a kind, and users are compelled to pay the fees during any transaction involving land or property. There is only one Land Registry; it is a compulsory monopoly and we need to reflect on what would happen if this public monopoly became a private monopoly. We would have profiteering—pure and simple—by ripping off the public with inflated fees.

The Minister refused to answer my written question of 6 June about what steps would be taken to ensure that Land Registry service fees did not increase in the event of privatisation, so I hope we will hear something from him today. We are left to assume that the “protections” and safeguards that the Secretary State mentioned in the foreword to the consultation document do not include any protection from vastly inflated service fees. In time, whatever sum the Government might secure from a sale today will ultimately be paid for by the people and businesses who use and depend on the Land Registry’s services.

Dr Matthew Offord (Hendon) (Con) rose—

Mr Lammy: I must make some progress.

We therefore reach the crux of the issue: the Government are looking to sell off the family silver to turn a short-term profit to try to make their sums add up. As the most recent Budget showed, the Government’s plan to close the deficit is dead in the water, so now they are looking to sell off assets to cash in. This privatisation is purely political, with absolutely no regard for what is right for the Land Registry or indeed the people of this country. The short-term profit derived from any sale will be dwarfed by the increased costs that are ultimately paid by all of us in the form of increased fees, and it will be dwarfed by the lost revenue to the public purse in the medium to long term.

There is no economic rationale for this privatisation. If the Land Registry were making a loss and being subsidised by the taxpayer, I could understand the Government’s enthusiasm for privatisation, but it has made a surplus in 19 of the last 20 years, and it returned over £100 million to the Treasury last year alone. The Land Registry pays rich dividends to the public purse, and there is absolutely no reason why it should pay dividends only to wealthy investors and shareholders in the future.

Satisfaction with the Land Registry is currently running at 96%. Far from being a basket case of public sector inefficiency, it is a shining example of a successful public service being run efficiently and effectively. I must state in the clearest possible terms that privatising it would be daylight robbery and a national scandal. Sadly, we know that this Government have previous: just look at what they did to Royal Mail.

Let me deal briefly with the conclusions of earlier studies. In particular, the Government’s quinquennial review of 2001 found that the privatisation of the Land Registry “should be firmly rejected”, and would “be an act of…considerable folly”.

It is clear from the responses to the consultation on proposals to transfer the Land Registry to a service delivery company in 2014 that the proposed privatisation was decisively rejected by most of the respondents. We are told that “91% of respondents did not agree that creating a more delivery-focused organisation at arm’s length from Government would enable Land Registry to carry out its operations more efficiently and effectively”, and that “89%...not be comfortable with non-civil servants processing land registration information”.

However, although the overwhelming majority of respondents made it clear that the Land Registry must remain publicly owned, the Government are back, disregarding what was said just two years ago and making their case again.

A further issue of vital significance is the impact that a privatised Land Registry would have on the transparency of our property market. The Panama papers leak earlier this year brought to light the industrial use of tax haven shell companies by tax evaders, oligarchs, corrupt crooks, drug traffickers and arms dealers seeking to conceal their wealth. More than half the 214,000 companies whose details were leaked were incorporated in the British Virgin Islands, and many channel their money into the UK property market. A total of 100,000 properties worth £170 billion have been registered by shady and opaque overseas entities in the UK to hide their true owners.

Meanwhile, the Prime Minister and Members of his Government have consistently spoken of a crackdown on offshore tax evasion and dirty money. Indeed, the Prime Minister himself declared last year: “There is no place for dirty money in Britain... London is not a place to stash your dodgy cash.”

How, then, can we be in this situation? I noted with interest the Prime Minister’s article in The Guardian, in which he said:

“We know that some high-value properties—particularly in London—are being bought by people overseas through anonymous shell companies” using “plundered or laundered cash.”
The Department for Business, Innovation and Skills has also said that it is aware of the problem. Perhaps the team who wrote its consultation document could let the Minister know.

I listened with interest to this year’s Queen’s Speech, which promised that

“legislation will be introduced to tackle corruption, money laundering and tax evasion.”

I say this is in the strongest possible terms, and I say it as a warning to the Government.

We are faced with a severe housing crisis and institutional tax avoidance on a huge scale. First, we need serious steps that will make it harder for shady offshore entities to buy up property in this country, and secondly, we need to make it harder for opaque shell companies to shield themselves from scrutiny and investigation. Privatising the Land Registry would achieve the complete opposite. Surely the most basic common sense tells us that the first step in any crackdown on tax evasion, money laundering and corruption should be to ensure that data about who owns what are made public and are not privately held. As recently as last month, the Minister for the Cabinet Office told the Open Government Partnership in South Africa:

“The UK is a leader on transparency...Increasing openness and tackling corruption are 2 sides of the same coin.”

A public Land Registry could open up its data to support efforts to tackle the endemic corruption and abuse of the property market.

Currently, the average fee for the searching and provision of Land Registry data is £3. Journalists and campaigners have made use of that function to lay bare the true scale of offshore ownership of UK property, much of it derived from shell companies set up to avoid tax or to launder dirty money. A private organisation would have no obligation to open its data and would be able to charge whatever it liked for providing such data. Crucially a private company would not necessarily be subject to the Freedom of Information Act, so would have no duty to supply such data when asked.

Confidence in land and property in our society depends on a land registration system that is administered with integrity, neutrality and absolutely no conflict of interest.

It is a nonsense that a private company should be given an adjudicatory role on the land rights of citizens, other companies and the Government. It is a nonsense that a publicly owned Land Registry that is performing well and returning healthy dividends to the public purse should be turned over to a private owner. And it is a nonsense that this is being forced through by a Government who actually committed to tackling offshore tax evasion and corruption in this country.

This privatisation is not only woefully misguided, but plain wrong and should be abandoned before the public interest is sacrificed in favour of a short-term profit. I look forward to what the Minister has to say and the many contributions from Members in this House this morning.

Several hon. Members rose—

Mr Speaker: Order. At this stage there is no formal time limit. The first of the 11 Back-Bench Members I shall call is Mr John Stevenson.

12 noon

**John Stevenson** (Carlisle) (Con): I am pleased to make a contribution to this very important debate about a significant national organisation. Of course I am aware that the consultation has concluded and acknowledge that the Government have not yet come forward with any proposals for the actual privatisation of the Land Registry. I also bring to the House’s attention my entry in the Register of Members’ Financial Interests: I am a practising solicitor.

There are plenty of arguments for retaining the Land Registry in state hands, and we have already heard a number of them. Some of those arguments may be valid and some undoubtedly have merit, but quite a few are, to be honest, bordering on irrelevant. Similarly, there are very sound arguments to suggest it would be far more beneficial for the Land Registry to move out of state ownership into more commercially minded ownership.

**Dr Offord:** I wanted to say this to the right hon. Member for Tottenham (Mr Lammy) as well: while I certainly am a privatisation believer, I do not understand why the Government are seeking to take a public monopoly and make it a private monopoly. I cannot see the benefit that the market will be able to bring to that.

**John Stevenson:** My hon. Friend makes an interesting point, and unsurprisingly I could support many of the arguments for privatisation, but I will come to that in due course.

I want to make two specific contributions to this debate. First, I shall comment as a practitioner—as someone who actually uses the services of the Land Registry and whose firm works with the Land Registry on a daily basis. Secondly, I shall comment as a Conservative politician.

Speaking as a practitioner, the Land Registry is an extremely important aspect of the conveyancing and land ownership process. Indeed, it is central to the whole system as over 75% of land is already registered and ultimately all land will be registered, at which point no physical deeds will be required. Therefore, the accuracy and integrity of the register is absolutely vital. Each day thousands of transactions are logged through the Land Registry portal, queries are raised, and in some cases disputes are resolved. It is part of the everyday work of the conveyancer.

However, we have to accept that the Land Registry is not in any way perfect. Most practitioners would confirm this and I suspect the Land Registry itself would also acknowledge it. The Land Registry does make mistakes, it has backlogs, it needs investment, and it needs to modernise—it is in many respects just like many other organisations that have similar issues.

**Robert Flello:** The hon. Gentleman lists a number of things that, understandably, need to be done, but the Land Registry makes a profit. Why are the Government not putting the profit back into improving it?

**John Stevenson:** The Land Registry does make a profit, and it is quite rightly trying to modernise. It also continuously develops its programmes, and all conveyancers are aware of that.
Like many other practitioners, I acknowledge that the Land Registry plays a vital and central role in the property market. Practitioners greatly value and respect the services that it provides. As a legal practitioner, I see the worth of the Land Registry and its services. We should also not forget the many skilled people who work for the Land Registry, all of whom ensure that the legal profession, the owners of land and the financial institutions are well served.

As a Conservative politician, not unsurprisingly I believe in a market economy, in competition and in competitive markets. I have absolutely no issue with the privatisation of businesses or industries, as I firmly believe that, more often than not, private sector ownership leads to greater efficiency and innovation and better value for money for the taxpayer and the consumer. I do, however, believe in a strong liberal democracy, in the importance of the rule of law and in the significance of property rights in a market economy—in this case, the rights relating to the ownership of land. We must therefore tread very carefully when considering the future ownership of the Land Registry, given its central role in the property market.

The Land Registry is at the very centre of land and property rights in this country, and the integrity of the system is critical. Its importance is such that all solicitors, property owners, leaseholders, lenders and financial institutions must have complete confidence in its integrity, openness and honesty. It has to be trusted. Any doubts or concerns about its integrity, about possible conflicts of interest or about misuse of information could affect this central part of our capitalist system. We must also recognise the fact that the Land Registry is a natural monopoly, a bit like the police or other institutions that do not lend themselves to competition. Such monopolies, which are of great importance to the very fabric of our system, must be treated with great care.

Mrs Moon: A considerable number of my constituents work in the Land Registry in south Wales. Their concern is that they constantly have to adapt their practice on the basis of new policy guidelines from the Government. They work within an overarching public interest requirement, and they are worried that that ability to adapt will go if there is a constant need to renegotiate contracts and seek changes with a private sector company. How can we keep that integrity for our constituents if we have to factor in the profit motive of a private sector company?

John Stevenson: The hon. Lady raises an interesting point about the constant changes in the Land Registry. As practitioners, we have to deal with those changes as new rules are put forward by this place in relation to the Land Registry and other aspects of property transactions.

As I have said, the Land Registry is central to our property system in this country, and it is vital that it has absolute integrity and openness. It has to be trusted.

Caroline Lucas: Will the hon. Gentleman give way?

John Stevenson: I am about to conclude my speech, so I will continue.

It is for those reasons that I believe that, if the Government were to bring forward privatisation proposals for the Land Registry, it would be a privatisation too far.

12.7 pm

Alan Johnson (Kingston upon Hull West and Hessle) (Lab): I congratulate my right hon. Friend the Member for Tottenham (Mr Lammy) on securing this debate. It is also a pleasure to follow the hon. Member for Carlisle (John Stevenson), who has demonstrated its cross-party nature. I shall not keep the House for long as my right hon. Friend has done such a good job and covered practically every point.

The Land Registry office in Hull represents our only success in securing Government business in many years by bringing that business out of London. It came to Hull in the 1980s specifically because the Government of the time wanted to bring good, decent, well-paid jobs to an area that had been devastated by the collapse of the fishing industry. Incidentally, the collapse of that industry had nothing to do with the EU; it was the outcome of the cod wars with Iceland, for which Iceland gained retribution earlier this week on the football field.

The Hull office has taken its share of the overall two-thirds reduction in staffing that has taken place in an attempt to make the Land Registry more efficient. During my 20 years as an MP, I can almost plot my time in that role by the number of inquiries, examinations and investigations into the Land Registry. They come up about every two to three years. My right hon. Friend mentioned the wonderfully named quinquennial review of 2001, when I was a junior Minister at the old Department of Trade and Industry. Quinquennial reviews took place across Whitehall and I was responsible for the quinquennial review of the Patent Office in Cardiff. One of my bright young civil servants—obviously hugely qualified—asked me why quinquennial reviews only took place every five years, so I explained it to him. That review, as my right hon. Friend said, concluded by saying that “privatisation should be firmly rejected” and that it would “be an act of considerable folly”.

Three quinquenniums later, we are being asked to commit this act of considerable folly by a Government whose motivation seems to be not to improve the service, but to raise a quick buck—and a fairly insubstantial buck in the scheme of things.

Liz Kendall: My right hon. Friend mentioned the quinquennial review, one of the most important findings of which was that the registry’s core functions—maintaining the land register, providing services to customers and operating its guarantees and indemnities scheme—hang together “like the particles in an atom” and that it would be “a great mistake” to contract out or split any of those core functions and threaten the whole enterprise. Does he believe that that argument remains true today?

Alan Johnson: I do indeed. The quinquennial review, like all quinquennial reviews, had to be carried out by a neutral Minister from a different Department and the
procedure was quite rigorous. That conclusion has been said in different words in practically every other examination.

Since the quinquennial review, the Land Registry has been subjected to an accelerated transformation programme, a feasibility study, a proposal for public bodies reform and, a little over two years ago, a plan to make it a service delivery company which was supported by just 5% of those consulted. Never has an organisation been scrutinised so often to such little purpose.

In the meantime, the Land Registry has got on with its crucial work with unimpeachable integrity, registering 87% of the land mass of England and Wales, paying large dollops of cash to the Exchequer—over £119 million last year—building up its digital capability and achieving customer satisfaction ratings close to 100%. It was 95% last year and everyone was reaching for the Kleenex because it had gone down from 98%. That is an extraordinary level of customer satisfaction.

Caroline Lucas: The right hon. Gentleman is making a strong case. My understanding is that if the Land Registry was privatised, it would not be subject to the Freedom of Information Act. It would therefore be easier to conceal who owns our land and would stop the publication of datasets, such as the one that was so important for the Panama papers exposed. Does he agree that that is one of the many risks of privatising the Land Registry?

Alan Johnson: I agree with the hon. Lady, whose name is also attached to this motion. Indeed, the question of transparency, as my right hon. Friend the Member for Tottenham said, has become vital since the publication of the Panama papers exposé. Does he agree that that is one of the many risks of privatising the Land Registry?

I have no objection in principle to privatisation, as the hon. Member for Brighton, Pavilion (Caroline Lucas) said. Those are all compelling reasons for the Minister not to flog it off.

While the Minister for Small Business, Industry and Enterprise talked in her letter to me about it being “right to explore a change”, this is no exploration. We have had a consultation on an issue the outcome of which has been predetermined. The status quo—public ownership—has been ruled out from the start. If the Government are foolish enough to press ahead with privatisation, it must be defeated. This delicate and vital work must be entrusted to civil servants working for a public service in which trust and integrity are maintained.

There has been mention of John Manthorpe, a former Chief Land Registrar and someone who has been associated with the Land Registry for 50 years in one capacity or another. He gave evidence to the Government’s consultation. We have not seen the results but he published his response, which is absolutely devastating. To quote from just one part, he says:

“The Registry’s independence from commercial or specialised interests is essential to the trust and reliance placed on its activities. It would not be possible for actual or perceived impartiality to be maintained or public confidence sustained, if a private corporation were to assume responsibility for the maintenance of a public register.”

That says it all. Parliament must not allow this piece of vandalism to proceed.

12.17 pm

Mr Bernard Jenkin (Harwich and North Essex) (Con): I will be as brief as I can, speaking in this debate as the Chair of the Public Administration and Constitutional Affairs Committee—the successor to the Public Administration Select Committee, which considered the question of open data in the previous Parliament and produced a report on the matter.

What is the Land Registry? It is a part of our critical national infrastructure. It is an absolutely fundamental function of any civilised state. It is how disputes are resolved. In the most war-torn parts of the world, there is a land registry in every country—even for every town. It has been in the lexicon of military doctrine since the days of empire that when a town is taken, the land registry is taken first so that the disputes that arise between different factions and families after control has been taken can be resolved. The first building that the Black Watch took in Basra when the British Army went into southern Iraq was the land registry. That is how fundamental a land registry is to a civilised state.

Victoria Prentis (Banbury) (Con): My hon. Friend and I share different views on the European Union, but I wonder whether he remembers the chaos that ensued when the former East Germany was unified with West Germany. There was no proper land registry for East Germany, making it difficult to ascertain who owned many houses in places such as Potsdam.

Mr Jenkin: That is exactly the point. The former communist state had destroyed the old records to create a new order.

I have no objection in principle to privatisation, which has been a successful means of transforming large parts of the former public sector. Even the Labour
party would have absolutely no intention of returning large parts of what is now in the private sector to the public sector.

Transforming the Land Registry into a modern, digitally-based service is crucial for making it more efficient and responsive to user needs. So far the digital transformation has been extremely slow. I have three main concerns about the present proposal. I hasten to add that I am speaking on my own behalf; this is not an agreed statement by my Committee. The Land Registry must continue to operate as an essential public service, the future owner of a privatised Land Registry must be committed to providing long-term stability, and the final deal, if there is one, must fulfil the Government’s own stated objectives for the use of open data.

In a submission to the Government’s consultation, I recommended that the quality of service provided to the public by the Land Registry must be prioritised above realising capital gains or transferring risk from the Government’s balance sheet. The primary concern must be to ensure that an accurate record of land use and ownership is maintained in public hands. The Land Registry’s core services should be protected from any real-terms price increases, and their quality must not suffer as a result of any transfer of operations to the private sector. The Land Registry is, and will remain, part of our critical national infrastructure. Its protection is crucial, and any public-private model or privatisation model must put in place safeguards to prevent the service being disrupted in the event of bankruptcy or commercial failure of any kind.

Our report in 2014 was based on evidence from leading figures in the world of data management and statistics, as well as from Ministers. Although the Committee did not look in detail at the privatisation of the Land Registry, we did look into the future use of the Government’s major datasets, of which the Land Registry is one. The final report made several recommendations for the use of Government data. In particular, we stressed the need to ensure that datasets are easy to access, easy to read and free to use.

On the specific subject of the Land Registry, the Committee concluded:

“A radical new approach is needed to the funding of Government open data. Charging for some data may occasionally be appropriate, but this should become the exception rather than the rule. A modest part of the cost to the public of statutory registrations should be earmarked for ensuring that the resultant data . . . can become open data.”

Data held by the Land Registry are one such example. If this model is adopted by the Government, they must not allow a new privatised entity to expect to make money from the selling of those data. The expectation must be that the data will be freely available.

In public policy terms, it is important to understand the value of open data to the economy as a whole. Research commissioned by the Open Data Institute found that public sector open data will provide more economic value every year, equivalent to as much as 0.5% of GDP, than data that users have to pay for. For example, we all use the Postcode Address File. That has been privatised, but what makes it of such value to us is that we can get on a website and get it free. How outrageous it would be if we had to pay for that.

Unfortunately, when the Royal Mail was sold, we transferred those data to the private sector and now big businesses have to pay to use those data. The result is that new forms of open source data will be created, which will gradually take over from the Postcode Address File. By transferring those data into the private sector as we have, we have undermined their value and created a cost to the productive sector of the economy for accessing them. In our conclusions, we stated that the sale of the Postcode Address File was the wrong decision. We concluded that such an asset should have been kept in public ownership, where it would be a national asset, free for businesses and individuals to use for the benefit of the wider economy.

If the Land Registry is privatised, the land register itself—the actual data—must stay in public ownership. It is crucial that the Government preserve for themselves a substantial degree of policy flexibility with regard to any agreement made with a privatised organisation, and if they decide that the public interest is best served by a change in data policy, they must remain free to effect this and to do so without excessive cost.

I am deeply concerned that the future owner of a privatised Land Registry must be committed to long-term stability and continuity. That is the purpose of the operator, if there is to be a private sector operator. The operator should understand that it may derive profit only from some kind of long-term yield for a long-term contract with the Government and be prepared to invest in the organisation to achieve this aim. An investor with a more venture capital-style approach, aiming to make a capital gain out of the development of the business and then on-sale, would be a completely inappropriate form of ownership.

Mrs Moon: Given all that the hon. Gentleman has said about the importance of the integrity of the Land Registry, why is it not appropriate to build that flexibility for entrepreneurship into the current Land Registry so that it can make the profit that is necessary for the investment and modernisation that are needed? Why do we have to take this risk?

Mr Jenkin: I shall come to that. It is a perfectly reasonable question.

The type of owner of the infrastructure might be like the banks automated clearing system, which is a company that is owned by the banks. It is just an operating company that the banks fund in order to provide them with a service. That is much more the kind of privatisation that I would find acceptable, rather than a company called Land Registry plc, with its own board of directors thinking about how to develop its business. It is a service and there is a function that it needs to provide.

The final proposal should include a full assessment of what has happened in other countries where such a service has been transferred to the private sector. Additionally, in any privatisation plan the Office for National Statistics should have the power to take over the collation and publication of Land Registry data, effectively getting a daily feed from all new records and publishing them free online. If the Government decide to proceed with some kind of privatisation of the operations, in two years’ time I expect to be calling the Department for Business, Innovation and Skills and the National Statistics to take over the Land Registry. That depends on the character of the operator, if there is to be a private sector operator. The operator should understand that it may derive profit only from some kind of long-term yield for a long-term contract with the Government and be prepared to invest in the organisation to achieve this aim. An investor with a more venture capital-style approach, aiming to make a capital gain out of the development of the business and then on-sale, would be a completely inappropriate form of ownership.
Finally, in answer to the hon. Member for Bridgend (Mrs Moon), I hope the Government will explore alternative means of doing that by keeping the Land Registry in the public sector. Let us face it: it is only silly Treasury rules that prevent very cheap public money from being put into this with public sector involvement, but keeping it in public ownership, in order to develop the customer-responsive and properly capitalised system that we want. My mind is open, provided the data remain in public hands. My mind is open, provided the arrangement is stable, but I would not rule out transferring the service to some mutual or some existing consortium of banks or insurance companies or even keeping it in the public sector.

12.27 pm

Carolyn Harris (Swansea East) (Lab): I declare an interest. I am proud to say that the Land Registry has its largest UK facility in my constituency.

The Land Registry provides a substantial number of jobs to Swansea East and plays a very important socioeconomic role, not just in my constituency, but in the surrounding areas. In July 2014 the coalition Government shelved plans to sell the well-respected 150-year-old service. That was after only 5% of respondents to a consultation felt that privatisation would make the Land Registry a more effective and efficient service. The consultation produced an overwhelming response:

“Overall, across virtually all respondents, it was suggested that a case for change had not been made.”

Despite this, fewer than two years later, the Government are yet again reviewing plans to privatisate the Land Registry. That is being driven by the Treasury’s demand to make cuts, with the short-term aim of cutting the national debt.

Lilian Greenwood: My hon. Friend is making a passionate case on behalf of the people she represents. Is she aware of the report from the New Economics Foundation, which concluded that future funds from the Land Registry would outweigh the cash cost of a one-off sale after 25 years? The plan fails on the Government’s own terms.

Carolyn Harris: I am aware of that and I will come to it later in my speech.

The consultation on moving Land Registry operations to the private sector was launched on 24 March 2016. Ludicrously, it closed two days later. I would argue that it was deliberately timed so that MPs would not notice the announcement, because we were all heading home for the Easter recess—I was actually on a train to Swansea, and I read of the plan on a Twitter post. Like many colleagues, I was furious at the way the announcement was made.

Currently, the Land Registry is entirely self-funding and no drain whatever on the Government purse. Furthermore, the service makes a surplus year on year. That is passed on to the public by way of reduced costs for using the service. It also provides the Treasury with a significant income.

A report from the New Economics Foundation shows that selling off the Land Registry would harm Government finances in the long term. It suggests that the Land Registry and other assets under threat of privatisation or part-privatisation are clearly able to innovate and deliver a profit without needing to be in the private sector.

The sale of the Land Registry will hardly put a dent in the national deficit figure—[Laughter.] We can all point the finger at the Government. At the same time, we will be giving up valuable assets and forgoing long-term revenue streams. Land Registry jobs are also well paid and, more importantly, well respected. It is important that we retain them as part of a well-mixed economy to give job opportunities and a way forward to people from all sorts of backgrounds.

Only an in-house Land Registry can continue to deliver a quality, trusted and impartial public service.

Chris Elmore (Ogmore) (Lab/Co-op): My hon. Friend is making a key point, and I completely agree with her. The public outcry about the privatisation of the Land Registry is unprecedented. People trust the service, and they want it to remain. Fundamentally, it is also profitable. Why the Government are considering privatising it is beyond most Opposition Members and several Government Members as well.

Carolyn Harris: I entirely agree, but, unfortunately, public demands do not always fall on receptive ears, to quote the Women Against State Pension Inequality Campaign.

If privatised, the Land Registry would no longer be subject to the Freedom of Information Act, so it would be easier to conceal who owns land and to prevent the publication of datasets such as those that identified the properties in London owned by the non-domiciles in the Panama papers.

I am distressed to see jobs disappear in my constituency. Swansea East is already suffering enough job losses—Royal Mail, HSBC, Virgin Media and Tata Steel. We cannot afford to lose any more jobs. In the last Parliament I tabled an early-day motion calling for the Government to abandon plans for privatisation, and I am glad to say that it received a lot of support. It has been retabled this month, and it is again gathering support.

Many feel that this proposal is just another get-cash-quick scheme from the Government, but in reality it jeopardises jobs, brings economic uncertainty and threatens to remove the transparency that allows us to have confidence in the fight against corruption and illegal accounting.

I implore the Minister to realise that this plan is ill-thought-out and that it will be challenged by the unions, legal and property professionals, the public and Opposition Members. The Land Registry is value for money, and it is an efficient and trusted service.

12.33 pm

Will Quince (Colchester) (Con): I congratulate the right hon. Member for Tottenham (Mr Lammy) on securing this important debate. It is a pleasure to follow the hon. Member for Swansea East (Carolyn Harris). I am not sure that I can quite match her passion, but I will certainly set out where I stand.

I was elected last year on a mandate to balance the books. There is no question but that the Land Registry offers an opportunity to raise money for the Government—the amount is purported to be around £1.5 billion. I am not ideologically against privatisation.
When the Government can raise capital by selling assets, without detriment to public services, it can make sense to do that in certain circumstances. I appreciate, however, that that is a point on which Opposition Members may not agree with me.

I was a practising property solicitor until the last election, so I spent my days buying and selling houses for people. As part of that role, I spent several hours a day and many hours on the telephone liaising with the Land Registry. I used to find the Land Registry very helpful, and I very much valued its expertise. However, on occasion, and sometimes more often, it was quite slow, particularly regarding non-urgent matters such as first registrations. To be fair, the Land Registry has done a great deal in recent years to innovate. It has largely moved away from paper and some of the online tools, especially the mapping tool, are really useful. Having said that, some of the tools it uses are very much outdated and in need of an upgrade.

On that basis, there is no question but that there is a strong case for privatisation, because that could lead to a cash injection that could be transformational and drive innovation. Having said that, I am not in favour of, and nor can I support, the privatisation of the Land Registry. To be clear, the Land Registry is not RBS or Royal Mail. To compare it with those organisations fundamentally misses what the Land Registry is and what the consequences would be if it were in private hands.

As hon. Members have said, the Land Registry continues to be an essential part of land and property ownership in England and Wales. The main statutory function of the Land Registry is to keep a register of title to freehold and leasehold land. That represents 24 million titles covering 87% of the land mass of England and Wales. On behalf of the Crown, the Land Registry guarantees title to registered estates and interests in land. For a very small fee—as little as £3—it also makes data available to the public and solicitors via searches.

My objections are simple. In proposing the move, the Government have misunderstood what the Land Registry is fundamentally about. It is more than just a data provider or an authority for recording title. It registers title, guarantees rights to land and provides guarantees pre and post completion searches. The reliability of the register is vital to the property market, and any loss of confidence in the register would significantly affect the property and mortgage markets, and, therefore, the economy as a whole. While the Land Registry can, at times, feel clunky and hugely frustrating for property professionals, at its heart it is based on the principles of integrity and impartiality, and I fear it is that that we put at risk if we accept the proposals to privatise.

We are a nation of homeowners and a level of trust has been built into our system through the security that has been provided by the Land Registry since 1862. We have an established property market, which is why England and Wales is a highly trusted market in which to invest. I fear that privatising the Land Registry would put that trust at risk, particularly for foreign investors. Let us not forget that the Land Registry guarantees the titles to billions of pounds of residential and commercial property.

The Land Registry acts as a repository for huge amounts of important data as a monopoly, and rightly so. However, let us remember that it has no hidden agenda or motive other than to provide a public service and to ensure that the property market continues to function well. I share the concern of many that privatising the Land Registry would undermine impartiality, increase fees for customers and pose a considerable risk to the integrity of the organisation.

Let me be clear that I would not criticise any private company for acting in the way I have described; in fact, we should expect it. However, a profit motive would completely change the nature of the organisation and we should expect costs to be driven down, with prices for data and fees rising. With the monopoly that exists, I struggle to see how the move could not be seen as anti-competitive. Given the monopoly, it could be argued that if the Land Registry were in private hands, it could reduce innovation and the transformation agenda, as there would be no market forces forcing it to do otherwise.

Fees at the moment are reasonable and offer customers good value for money, but let us be clear that property transactions are expensive when we include legal fees, stamp duty, search fees and moving costs. The current scope of the Land Registry’s work is limited by its direct link to the property market, meaning that there are limited options for a private company to increase workload and therefore revenue and profit. I appreciate that there is potential for the Land Registry to start providing other searches. However, that would require primary legislation and would lead to opposition from local authorities and private companies that already provide such services. The most likely outcome, notwithstanding the commitment the Government have made to retain an element of control over fees, is that fees will rise.

I have not heard any stakeholders in the property industry calling for this change, let alone warmly welcoming it; in fact, they all criticise it. Solicitors, surveyors, estate agents and mortgage lenders are opposed to the plans. The Competition and Markets Authority has said that the proposals would give the new owner a monopoly on commercially valuable data with no incentive to improve access to it. The concerns raised are not unreasonable, nor do I consider those raising them to have a hidden agenda or motive; their worries are genuine and we should not ignore them. There is no need to do this. As the right hon. Member for Tottenham said, the Land Registry has returned money to the Treasury in 19 out of the past 20 years, while continuing to reduce the fees that it charges the public.

Selling the Land Registry—the sole record of land ownership information—is a privatisation too far. We would, rightly, not consider privatising HMRC or the General Register Office. Some things are just too important to take out of the hands of Government. We would not consider privatising the births and deaths registers, and we should not treat land ownership differently. The Land Registry works. It makes money. If all the concerns I have raised cannot be addressed, please just leave it alone.

12.41 pm

Dr Roberta Blackman-Woods (City of Durham) (Lab): I thank my right hon. Friend the Member for Tottenham
(Mr Lammy) for securing this debate. It is a pleasure to follow the hon. Member for Colchester (Will Quince), who made a powerful speech.

It is completely clear to me that privatisation is not the way forward for the Land Registry. Privatisation will damage the Land Registry’s reputation for independence. It could cause job losses in my constituency and elsewhere and, ultimately, cost the public money. The UK’s Land Registry is a model of good practice around the world. It gives advice to other countries about how to set up and run land registry services in an independent and impartial way. Its expertise is welcomed by many other countries.

Privatisation could seriously damage confidence in the Land Registry’s independence. As we have heard, the former Chief Land Registrar and chief executive of the Land Registry, John Manthorpe, has said:

“The Registry’s independence from commercial or specialised interests is essential to the trust and reliance placed on its activities. It would not be possible for actual or perceived impartiality to be maintained or public confidence sustained, if a private company “were to assume responsibility for the...maintenance of a public register.”

As others have said, the consultation paper from the Government seems to show a lack of understanding of what actually happens with the register. The Government talk about the register as though it were a static document that is produced once and for all and can be handed over to somebody else, but it is very much a live document, as transactions are constantly added and updated. That means that there is enormous potential for a conflict of interest emerging from a private company running the register when information that might be placed on it could change on an hourly or daily basis. The Government’s consultation paper showed no acknowledgement of conflicts of interest that could arise or how they would be dealt with.

The Competition and Markets Authority has also raised concerns about privatisation, particularly that a private company running the Land Registry as a monopoly could weaken competition by making it harder to access the information it holds. As we have heard, an exemption from the Freedom of Information Act could mean that the sort of information found in the Panama papers would not be available for public scrutiny, which would be a great loss. The Government must seriously consider whether it is sensible to change a model that has a sound international reputation and a lot of trust, and that works so well and has real independence.

It is abundantly clear that there is no public demand for privatising the Land Registry. When privatisation was last suggested in 2014, the public consultation showed that 91% respondents disagreed with the idea that the services could be better delivered outside government. The hundreds of emails I have received from constituents opposing the Land Registry’s privatisation in just the past few weeks suggest to me that public opinion has not changed since 2014. I will quote just a few of my constituents who have written to me about this so that we can all hear how concerned they are. One wrote:

“The Land Registry is a self-financing public service which doesn’t cost the taxpayer a penny to run—so why is the government considering selling it off to companies with links to offshore tax havens?”

Another said:

“Experts from all backgrounds have been calling the government’s plans to sell the Land Registry short-sighted. The government’s own watchdog warned that it would threaten competition, and an expert from the World Bank said it would increase corruption.”

Another said:

“This government seems to be hell-bent on disposing of everything which we value, not to mention that the Land Registry “is actually a net contributor to the treasury.”

It is not only constituents who are concerned. Institutions from the Law Society, to the Public and Commercial Services Union, the Open Data Institute, the Co-Operative Group and very many small and large businesses have expressed their unease at the idea of privatising the Land Registry. That is for a whole variety of reasons that we have heard today: the registry has strong public confidence; there is ease of access; and it is trustworthy. Why are the Government so keen to go against the opinion of the public and experts? The Government’s decision again to raise the idea of privatisation, just two short years after they were forced to withdraw proposals in the face of massive opposition and a broad alliance of interests is, quite frankly, baffling.

Will the Government provide reassurances to my constituents working in the Land Registry office in Durham who fear that their jobs could be lost in the event of privatisation? The Land Registry is a major employer in Durham, providing hundreds of skilled jobs. Employees are understandably very concerned that privatisation could lead to job losses or even a full closure of the Durham office, which has existed for over 50 years. As this has been the only Land Registry office in the whole of the north-east since the closure of the York office some years ago, I would be concerned about not only my constituents’ jobs, but the impact that such a closure might have on the north-east’s economy.

When the privatisation of the Land Registry was last discussed in 2014, it was estimated that the Land Registry in Durham contributed £10 million per year to the local economy; I very much doubt whether that sum would have reduced in the past two years. Given the instability of our economy in the wake of the pro-Brexit vote, I would be extremely concerned by the prospect of further damage to the north-east’s economy.

The privatisation of the Land Registry would be bad not just for my constituents but for the public as a whole. The revenue brought in through the Land Registry each year would be lost. As a recent report from the New Economics Foundation made clear, in the long term, the sale of the Land Registry would result in a significant loss of income to the Treasury. In 19 of the past 20 years, the Land Registry has produced a surplus. It paid £120 million into the public purse last year. It is clear that the decision to review proposals to privatise the Land Registry is being driven by the Treasury’s desire to bring in revenue in the short term without looking at the long-term negative impact that that would have on public finances. The estimated £1.2 billion that could be raised from the sale will not stretch very far into the future.

In 2014, the Land Registry expanded to include services relating to local land charges. I said at the time that I thought the Government were doing that in order to fatten the registry up for privatisation, and it seems I
might have been right. Once again, the Government are pushing for privatisation, so I think my fears were not misplaced. The Government’s responsibility must be the long-term health of the economy, and it is clear that the money that can be raised from privatisation will not offset the long-term costs of having no revenue from the Land Registry.

This Government have failed before to get the best deal for taxpayers when privatising services, most recently in the case of Royal Mail, in which shares were tragically undersold at the cost of millions of pounds to the taxpayer. How can we be confident that the Government will get the best deal for the British public with the privatisation of the Land Registry? Without them being able to guarantee a good deal, would it not be better, for that reason alone, to keep the Land Registry in public ownership? We have been through many of the other reasons why privatisation should not happen.

I end by quoting the words of another of my constituents who wrote to me about this issue:

“The Land Registry is working well, it’s not broken—there’s no need to fix it. In fact, it’s successful, profitable and part of a vital data infrastructure that our country needs.”

I completely agree with my constituent and ask the Government to drop any idea they might have about privatising the Land Registry.

12.50 pm

Richard Drax (South Dorset) (Con): It is a pleasure to speak in this debate and to follow the hon. Member for City of Durham (Dr Blackman-Woods). I thank the Backbench Business Committee and the right hon. Member for Tottenham (Mr Lammy) for securing this debate, which I have co-sponsored. My name would not usually appear alongside the others on the list, which shows that this is very much a cross-party debate.

I feel sorry for the Under-Secretary of State for Life Sciences, my hon. Friend the Member for Mid Norfolk (George Freeman). I thought that he would be somewhere else at midday, seeking help from colleagues to go for a top job, but he is here instead, listening to us talk about the Land Registry. It is a pleasure to see him in his place.

I thank Andy Woodgate, our union representative in Weymouth, which is in my constituency. The Weymouth office is one of 14 in the country. That number has come down from 22 over the past 10 years, due to efficiencies and reorganisations, including digitisation and computerisation, which many hon. Members have mentioned. Weymouth has certainly gone down that road: it has made huge advances and is meeting the technical challenges in the computer age. In fact, it has been described as a “beacon” of the civil service. It is ironic that a beacon of the civil service should be proposed for privatisation, but there we go.

The office occupies one floor of a building that once held 600 members of staff over three floors. There are now 200 members of staff working on one floor, yet their workload is increasing, not decreasing. It is one of the biggest employers in my constituency and I am proud to represent those 200 members of staff. I have spoken to them and listened to their concerns. I am acting, as we all should be, without fear or favour.

Having listened to their views, I concur with and share their concerns about the Government’s proposal to privatise. Given everything that is going on in the country, I hope that the issue can be shovelled under the carpet — dare I say it? — that we can get on with the bigger issues facing the country at this very exciting time.

An Englishman’s home is his castle. The very territory that we live on is the biggest investment that any of us makes. This sell-off would undermine that absolute, fundamental basis of security.

The proposal and consultation fail to register the fact that the Land Registry is quasi-judicial. The integrity of the organisation’s database is paramount. Its quasi-judicial nature is one very good reason why it should not be sold off, and it is on that basis that all other activities occur. That is why it should be allowed to continue its excellent work. Land Registry data are fully accessible to Ministers and the public, with all the checks and balances required. It is the largest database in western Europe. It underpins the housing and property market, and it is a cornerstone of our economy. A sell-off could destabilise the housing market for a short-term return—there is no point in doing that.

The Land Registry is self-financing, returning approximately £100 million to the Treasury, although that was never intended because it is a non-profit-making organisation. Privatisation would inevitably introduce a profit-seeking motive, which might lead any new owner to take short cuts to reduce costs and to maintain the database less well, thereby leaving its integrity at risk. Once those data are corrupted, the situation would be irretrievable.

The Land Registry is a public monopoly. As every speaker has asked, why should it now become a private monopoly? That just does not make sense. Hedge funds and overseas buyers are not interested in the greater good or the stability of the country—that is the risk. They want to make a return. I have nothing against privatisation per se—I run a business myself, and if we did not make a profit, we could not reinvest in the business—but this business should not be put under that sort of speculation. Selling to a foreign company might well be against the national interest.

Interestingly, only the Treasury thinks that this is a good idea; no one has even asked for it. Yet the consultation is written in such a way that submissions must choose between alternative sale models—in other words, the status quo is not represented. Nowhere is it suggested that the whole idea may be wrong. As we have heard, of the 30,000 responses to the consultation, sampling shows that about 95% of them are against the proposal.

At present, Land Registry mistakes or errors that result in owners suffering a loss are underwritten or insured by the Government through a state guarantee fund. Big mistakes could cost millions in compensation—in effect, the figure is unlimited. What new company would be willing to underwrite that risk? That would be factored into the sale price, thereby lowering it.

The Land Registry has been valued at just over £1 billion, which is only 10 times the current revenue it produces. That is not enough. Once the indemnities and safeguards are factored in, would a private buyer spend that sort of money anyway? I suggest not; I think they would ask for a lower price because of all the indemnities that would have to be in place.
The proposal also makes a false distinction between a land register and the Land Registry. The register is the database of 20 million-plus titles, to be kept in public ownership according to consultation document. The registry is the operational arm that creates and maintains the database, which would be sold off. There is no suggestion as to how that separation could be achieved or how it could make money.

Land Registry fees are kept reasonable and are constantly reviewed. If new owners must make a profit, they will inevitably rise, as will conveyancing costs. There is very little slack in the system, given that the Land Registry has already been pared down over the past 10 years from 10,000 to 4,000 employees.

The employees that I have met are extremely skilled and knowledgeable, and it takes at least two years to train them in conveyancing law, ordnance survey maps, digital learning and all the rest. The situation is complex, because the decisions they make are quasi-judicial decisions at a basic level, in that once ownership is registered it is guaranteed.

Interestingly, I understand that the Land Registry is going to employ 200 more staff, which suggests that there is more, rather than less, need for the organisation. A private employer is likely to look at cutting costs, so there is a risk that staff, who would be most vulnerable—they are certainly the most expensive part of any business—could be laid off at a time when more are needed.

The Law Society—a highly respected organisation with no vested interests—has opposed the proposed sell-off in a submission. So too does the Competition and Markets Authority, which says that a sell-off would introduce a profit motive that would affect the Land Registry’s ability to provide a good service at a low price.

The UK Land Registry is world-renowned and respected. It consults on establishing land registries in developing nations and abroad through its international arm. We must be most careful not to bring it into disrepute. That is particularly pertinent now, when the UK is taking a lead in tackling corruption and money laundering. Offshore investment in UK properties must be very carefully monitored. Currently, we have free public access to freely available information in the Land Registry in cases of investigation. If it were privately owned, would that be the case? I doubt it. Interestingly, some tenders have reportedly already come in from interests in offshore tax havens—a subject that is particularly volatile in this House—and I do not think that they would be apt owners of an organisation such as the Land Registry.

Many excellent points have been made by other speakers. I will conclude at this stage, because others wish to speak. I urge the Minister, with all that is happening to this great country—with the wonderful opportunities that lie ahead and the far bigger fish that we will have to fry—to ensure that this little tiny fish is left alone to swim in the sea for years to come, as it has done successfully.

1 pm

Chris Stephens (Glasgow South West) (SNP): It is a pleasure to follow the hon. Member for South Dorset (Richard Drax). I speak in my capacity as chair of the Public and Commercial Services Union parliamentary group. I pay tribute to the speech by, and the motion in the name of, the right hon. Member for Tottenham (Mr Lammy).

As has been said, more than 350,000 people have signed an online petition, and objections have been raised by, among others, the Open Data Institute, which warns that the proposed privatisation will build barriers in the data infrastructure, inhibit GDP growth and reduce the tax revenue that would be received from price paid data that the publicly owned Land Registry releases.

Several hon. Members have mentioned the report and investigation by the New Economics Foundation, which has argued that it is inappropriate to privatise the Land Registry—that the privatisation is politically motivated to reduce national debt in the short term—because the Land Registry, as a trading fund, is self-financing and brings in a surplus of £100 million a year. It performs well, with a 95% customer satisfaction rating. It concerns me that 3,500 jobs are at risk as a result of the privatisation.

There is also a risk of increased property fraud if the Land Registry is privatised. Currently, Her Majesty’s Land Registry invests heavily in this area at significant cost. The Land Registry deals with a large amount of personal data and the details of borrowing, secured debt and even court orders, because they form part of the land register.

Jim McMahon (Oldham West and Royton) (Lab): That is an important point. One thing that occurred to me is that although there is a great deal of value in the land that is titled and registered, there is also quite a lot of value in land that is unregistered. Of course, the Land Registry makes the assessment as to whether people have a legitimate claim on that land.

Chris Stephens: The hon. Gentleman makes an excellent point, and I will come on to that. The New Economics Foundation states in its research that only an in-house Land Registry can continue to deliver a quality, trusted and impartial public service while fairly bringing in new revenue. In the research, the foundation also revealed that the Government’s assurances about the service are meaningless, because no risk assessment has been undertaken; and that a private company, naturally seeking to maximise profits, would inevitably put up fees to achieve an increased profit margin. There are also risks in the proposals to all users of the system, to any future Government planned infrastructure build, to the housing market, to the wider economy and to the national interest as increasing amounts of land are sold off, all too often to unknown overseas individuals and companies, as has been said.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): Just last week, it was announced that the Ministry of Defence is set to privatise the repatriation and burial of war casualties—an idea that I find abhorrent. Does my hon. Friend agree that that is a clear sign that the Government’s privatisation agenda is ideological?

Chris Stephens: It is quite clear that we have an ideological Government, and they will be debating among themselves how far that ideology will take them.

As many hon. Members have pointed out, if the Land Registry is privatised, it would not be subject to freedom of information requests or the Freedom of
Information Act, and it would be easier to conceal information on that basis. There is also the issue of local land charges. In 2014, the Land Registry added to its scope additional services such as land charges. The Land Registry is looking at the rules, and it concerns me that its consultation on the matter contains only a passing reference to privatisation plans and no mention of what impact they would have on local land charges or the local land charges service. Local land charges service providers have seen their business removed and nationalised, and now it may be sold off to a large conglomerate before the nationalisation has even taken place.

In the words of the former chief land registrar, John W, the Land Registry is “highly regarded by those who depend on it as a provider of trusted, prompt services. Land registration is not an activity that any responsible Government can transfer to the private sector.”

I urge Ministers to abandon these damaging plans for the Land Registry service.

1.5 pm

Kevin Hollinrake (Thirsk and Malton) (Con): It is a pleasure to follow the hon. Member for Glasgow South West (Chris Stephens), who made some very good points, and to congratulate the right hon. Member for Tottenham (Mr. Lammy) on securing this important debate.

I absolutely support the principle behind this proposal. One of the Treasury’s principles is to maximise capital receipts, and we must not forget that this country is about £1.6 trillion in debt. In the right circumstances, it makes absolute sense to sell off assets to pay off liabilities; that is a sensible economic policy. Of course, the Government since 2010 have halved a deficit that was running at £153 billion—now it is £75 billion—and simultaneously grown the economy. We have one of the fastest growing economies in the developed world. Day after day, we debate how we will balance the books and how we will pay off the rest of the deficit or reduce it, and the Opposition oppose every single cut that we make. We absolutely cannot have that. The Treasury’s criteria for sale of these assets—it is absolutely right to pay down our debt—are to maximise capital receipts, to provide better customer service and to reduce Government control. We would all agree with those principles, but may I add another: not to create any private sector monopolies? There is no effective competition in prospect if the Land Registry is privatised. We all encounter problems in our surgeries with a company called BT, which is a de facto private sector monopoly, certainly in the case of superfast broadband.

I believe that that business suffers from a culture of corporate obfuscation in pursuit of maximising profits and minimising investment, while maintaining desperately poor customer service. We must not let that happen in another private sector context, although privatisation is of course positive if it encourages competition in that it drives innovation, it drives investment and it should in itself drive great customer service.

Another of my concerns, which has been repeated many times, is the likely amount we would get for the Land Registry. The figure is around £1 billion to £1.5 billion, but it consistently produces a surplus of over £100 million a year. That represents a return of 8% to 10%, but the Government can borrow money at about 1%, so it does not make financial sense to sell it.

The Government have another very important role, which is to be a facilitator or enabler, and there are so many opportunities for open-source databases. Ordnance Survey has recently provided open-source data that could enable many technology companies to develop applications. One of those involves broadband because Ordnance Survey data are hugely important in allowing fixed wireless providers to provide remotely—at desktop level—superfast broadband in communities.

The Government have done such work in other areas. They have opened Department for Environment, Food and Rural Affairs databases to provide a free flow of information to enable the development of new technologies and applications. We are on the verge of what is called the fourth industrial revolution—the fusing of physical, digital and biological technologies—which could have huge benefits to the economy and to mankind. Given those real opportunities, the Land Registry should be kept in public ownership.

We should provide a more long-term and strategic approach in the public sector, rather than look for short-term profits. Our very own Tim Berners-Lee, a member of the Open Data Institute, has said that the sale “could undermine the government’s bid to make more data publicly accessible”.

On that basis, it absolutely should not be considered.

As my hon. Friend the Member for Carlisle (John Stevenson) said, the Land Registry does need reform. It has a relatively new chief executive officer. The average tenure of the 4,500 staff is about 25 years, so it probably needs a bit of a shake-up if it is to make the best use of some of these opportunities.

Another point is about underpinning property rights, which are a fundamental component of economic success. The Land Registry has been in operation since 1862, and the average person in the street might be surprised to learn that it no longer has any paper deeds, but keeps everything digitally. I think the average person would be very concerned about that combination—the fact that the information is held digitally and that it would be kept by a private sector company.
The Land Registry does not only provide an administrative function. As the hon. Member for Glasgow South West keenly observed, the staff also use their knowledge and judgment. They are often asked difficult questions, and they need to be experienced and knowledgeable to provide a proper service.

The Government have introduced new initiatives on beneficial ownership, including consideration of a public register to make sure that foreign companies disclose the true ownership of UK property. That is revolutionary in that it is trying to tackle money laundering, corruption, crime and tax evasion. Those are all reasons why it is better for the Land Registry to be in the public sector than the private sector.

I am involved in the property sector. You must excuse me, Mr Deputy Speaker, for neglecting to draw the House’s attention to my entry in the Register of Members’ Financial Interests. Just about all the people in the property sector to whom I have spoken are against this move, whether they are members of the Conveyancing Association, or solicitors, house builders or property agents. Indeed, the Competition and Markets Authority has said that a private sector provider may fail to “maintain or improve access to the monopoly data; and... weaken competition to its own commercial products.”

Mary Robinson (Cheadle) (Con): The Government are committed to the ambitious target of providing 1 million new homes by 2020 and increasing home ownership. Does my hon. Friend agree that we should avoid any disruption to the Land Registry that might jeopardise its service to home buyers in the future?

Kevin Hollinrake: I totally agree. As we have heard, the Land Registry service is regarded as a very high-quality service and the housing market is such a critical component of our economy, particularly now that economic markets such as the housing market are looking a little more fragile.

I have significant reservations about the privatisation of the Land Registry, and—supportively and gently—I ask the Government to think again about these proposals.

1.15 pm

Nia Griffith (Llanelli) (Lab): A few weeks ago, I joined Public and Commercial Services Union members and representatives from the campaigning group 38 Degrees to hand over a petition with more than 200,000 signatures to the Department for Business, Innovation and Skills, calling on the Government to abandon plans to privatise the Land Registry, which has its main offices in Swansea, where many of my constituents work. Why on earth are we here again, just two years after the previous attempt at privatisation?

It is not simply employees of the Land Registry and their PCS and First Division Association representatives who are very concerned about the privatisation. Back in 2014, we had a meeting in the House of Commons—it was organised by my hon. Friend the Member for Chesterfield (Toby Perkins), who then shadowed the BIS Minister with responsibility for the Land Registry—at which real concerns were expressed by representatives of the Law Society and the Council of Property Search Organisations. Jonathan Smithers, deputy vice-president of the Law Society, and James Sherwood-Rogers from the Council of Property Search Organisations explained that, in their analysis, a privatised land registry would inevitably end up being a private monopoly that could impose rip-off fees and provide a worse service for its clients.

We then discovered from leaked documents that the Government were determined to push ahead with privatisation plans and that the recent consultation had in fact been a sham. They had clearly not listened to respected independent bodies, such as the Law Society, never mind to their employees, who were represented by the First Division Association and the Public and Commercial Services Union. Two years later, it seems that the Government are determined to push through privatisation of the Land Registry, because the consultation is focused on how to do so, not whether to do so.

To me, privatising the Land Registry would be nothing short of daylight robbery: it would rob the taxpayer of millions of pounds. The Land Registry currently brings £100 million into the Treasury in profits each year, so it is madness to steal that from the Treasury and stuff it into the pockets of private contractors, who would probably then add insult to injury by hiking the fees and ripping off the public. The enthusiasts of privatisation cite the benefits of healthy competition in providing a better service for the public, but we all know what happens to a privatised monopoly, which is exactly what the Land Registry would become. There would be no control over the service provided, and prices would be hiked.

Christian Matheson (City of Chester) (Lab): Does my hon. Friend agree that this is part of a pattern with this Government in which debt is nationalised and profit is privatised?

Nia Griffith: Indeed. My hon. Friend puts it concisely. Let us remember what happened with Royal Mail. Who is to say that this Tory Government will not be wilfully incompetent and will not sell off the Land Registry at a bargain basement price, as they did with Royal Mail, depriving the public purse of the true value of the asset? Even worse, we hear that the private companies interested in taking over the Land Registry have links with tax havens. It would be a double whammy: first, the Treasury may lose the revenue that the Land Registry brings in; and then, to add insult to injury, the Treasury may lose out because profits are offshored. We would lose not only the revenue but some of the tax take. As other Members have pointed out, in situations such as that with the Panama papers the public interest would be seriously hampered if FOI did not apply; as I understand it would not were the Land Registry a private company.

All in all, it would be an absolute disaster, and that is before we even come to the issue of trust. Currently, the Land Registry’s customer satisfaction rating is enormously high—some 98%. People trust it because they know it is impartial, as only a Government body can be. How could we possibly guarantee that there would not be conflicts of interests if it were a private company? Then there is the issue of data protection. I am advised that there is nothing in law to prevent a private company from selling on personal data to buyers who wanted that information.
For all the reasons mentioned both by me and by my hon. Friends, I implore the Minister to think again. He should listen as well to Government Members who also have concerns. Privatising the Land Registry is simply not the right thing to do. It is not just us who are saying that. The Law Society has set out its concerns very clearly. We have already heard concerns from practising solicitors. We really must keep the Land Registry in public ownership, so that we can maintain its integrity.

Lucy Allan (Telford) (Con): It is a pleasure to be called to speak in this really important debate. I thank the right hon. Member for Totton and Southway (Mr Wightman) for securing it, and all Members who have spoken in a very collaborative way—that is the way forward on issues such as this.

As is the case for many other Members who have spoken, the Land Registry has been an important employer in my constituency for many years. It is part of Telford’s fabric and success story. As Members may know, Telford is a new town, built in the 1960s on the coalfields of east Shropshire. Today, it is a thriving, dynamic, vibrant town at the cutting edge of new technology, with inward investment and innovation, but that has not always been the case.

Back in the 1980s, when the Land Registry came to Telford, it was an unemployment blackspot. The Land Registry gave Telford a much needed boost. Throughout its history, Telford has found ways of overcoming obstacles and meeting the challenges it has faced. The Land Registry has played a really important part in that, which is why my constituents have a genuine attachment to it and a genuine concern for its future.

I have met employees and their representatives to get a full understanding of those concerns. Although some people have sought to make this an ideological and political issue, my constituents, Land Registry employees and their families are rightly most concerned about retaining jobs in Telford and securing the Land Registry’s future. I share those concerns. As a constituency MP who is passionate about Telford’s future, securing those jobs for Telford matters to me most. The employees I have met are long-serving, highly experienced members of staff who have gained invaluable experience, expertise and knowledge of their roles over the years. They make an important contribution to that successful business.

Telford is a great place to live and work. Businesses move there all the time. It has a unique rural-urban identity, in the heart of rural Shropshire but with a vibrant urban twist. Close to the M54, with good links to Birmingham, it has clean air, green spaces and a quality of life second to none. Most of all, it has a community of hard-working people who want the best for their families and for Telford’s future. We live in a modern, changing world that will constantly evolve. Telford is used to change, and has always adapted to it, and that flexibility and resilience lie behind the success story that Telford is today. Like any successful business, the Land Registry will continue to evolve and modernise, as an efficient business.

I am grateful to the Secretary of State for Business, Innovation and Skills for taking the time to listen to me and hear my constituents’ concerns at a recent meeting. I will do everything I can in this place to ensure that Land Registry jobs stay in Telford. Although I have no ideological opposition whatever to any particular ownership structure, I could not support any sale that was not value for money for the taxpayer or risked jobs in my constituency. I recognise that no decision has yet been made. The consultation has only just ended and the responses are being considered. I do not want to get distracted by any ideological or party political arguments on this. I am sure that Members on both sides of the House agree that people and jobs are what matter, not politics.

As I have completely lost my place, I will ad lib. I once again thank the right hon. Member for Totton and Southway. I was slightly concerned by some parts of the motion, as over the past few weeks we have seen rather a lot of fear and scaremongering, which does not help my constituents, whichever side it comes from. I would really welcome a collaborative, cross-party approach on this, where we do not talk about dirty money, or tax havens, or the proceeds of crime—that does not benefit my constituents. I urge all Members to reflect on the fact that if we are to ensure that the Land Registry retains its current structure, we must work together to urge the Government to consider all the issues that have been raised and take note of everything that colleagues have said.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I understand that the spokesperson for the Scottish National party has already spoken, so I now call Bill Esterson.

Bill Esterson (Sefton Central) (Lab): Everyone who has spoken in this excellent debate has consistently come to the conclusion that the Government consultation should conclude that the Land Registry should remain in public hands, and that privatisation should be rejected. That has been the very clear message from speakers from all parts of the House. The proposal to privatise the Land Registry highlights the choice between a quick buck and long-term stability. It gives us the chance to consider the importance of an impartial register for the ownership of 24 million UK properties. It has revealed, yet again, overwhelming public opposition.

I congratulate my right hon. Friend the Member for Totton and Southway. His opening remarks were comprehensive. He said that in bringing this proposal forward the Government had shown that they were itching to privatise, that the status quo had not been comprehensively. He said that in bringing this proposal forward the Government had shown that they were itching to privatise, that the status quo had not been observed, and that privatisation should be rejected. That has been the very clear message from speakers from all parts of the House. The proposal to privatise the Land Registry highlights the choice between a quick buck and long-term stability. It gives us the chance to consider the importance of an impartial register for the ownership of 24 million UK properties. It has revealed, yet again, overwhelming public opposition.

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I will respond to some of the excellent speeches we have heard. The hon. Member for Carlisle (John Stevenson) described the Land Registry’s natural monopoly and pointed out that just as we would not privatise the police service, so too this was a privatisation too far. I point out that just as we would not privatise the police service, so too this was a privatisation too far. I point out that just as we would not privatise the police service, so too this was a privatisation too far. I point out that just as we would not privatise the police service, so too this was a privatisation too far. I point out that just as we would not privatise the police service, so too this was a privatisation too far. I point out that just as we would not privatise the police service, so too this was a privatisation too far.
Land Registry around the country is a good example of how Governments in previous generations have located offices up and down the country, in an attempt to devolve to and support the regions. I hope the Government will take note of his comments on the importance of continuing that policy in relation to the Land Registry, or indeed in relation to the offices of the Department for Business, Innovation and Skills, such as the one in Sheffield which, sadly, is closing. He made the point well about how Government jobs and Government offices support the economy outside London.

The hon. Member for Harwich and North Essex (Mr Jenkin) talked about the importance to any country, not least ours, of having a reliable registry, and referred to what happened in Iraq. Another hon. Member made a similar point in an intervention about what happened in East Germany after reunification. This is an incredibly important point that underlines the importance of the Land Registry and secure data to the economy and to the reliability of property title.

My hon. Friend the Member for Swansea East (Carolyn Harris) talked about the importance to her constituents of the jobs the Land Registry delivers. She also talked about profitability and the harm that privatisation would do to Government finances, with annual profit being lost to the Exchequer.

The hon. Member for Colchester (Will Quince) said that he was elected to balance the books and was against this privatisation. I am pleased that he understands the economic argument between a one-off capital receipt and a sizeable annual return to the Exchequer. If we want to balance the books, we need to keep that strong annual flow of revenue to the Exchequer.

My hon. Friend the Member for City of Durham (Dr Blackman-Woods) talked about the importance of the register as a live document of the way that transactions are always being added, and the potential danger of a conflict of interest if a private company were to take over responsibility, especially given that it is a monopoly.

The hon. Member for South Dorset (Richard Drax) spoke of the potential destabilisation of the housing market that a sell-off could cause. He said that privatisation might lead to shortcuts by a private operator that could undermine the integrity of the data. He felt that the risks of such changes were too great to be considered.

The hon. Member for Glasgow South West (Chris Stephens) said—the hon. Member for Brighton, Pavilion (Caroline Lucas) made a similar point in an intervention—that the Land Registry would not be subject to freedom of information requests. He urged the Government to abandon what he called damaging plans. I completely agree with him on that.

The hon. Member for Thirsk and Malton (Kevin Hollinrake) made the point that asset sales might cut the debt as a one-off, but that the loss of annual receipts would not help deficit reduction in the long run. I am pleased to hear Conservative Members recognising the importance of economic credibility. I thought, when he talked about BT, that he was going to recommend renationalisation, but he did not quite go that far.

Kevin Hollinrake: My point was in favour not of public ownership and renationalisation, but of the introduction of more competition into the telecoms market.

Bill Esterson: Yes, I rather thought the hon. Gentleman might say that. [Interruption.] The Minister correctly points out that was an opportunity for mischief that could not possibly be missed.

My hon. Friend the Member for Llanelli (Nia Griffith) made an excellent speech. She talked about the petition containing 300,000 names that was handed in to the Department for Business, Innovation and Skills. I was there with her on the day, as were a number of our hon. Friends. She rightly asked what on earth we are doing here just two years after the last attempt at a privatisation, at which time very clear and widespread opposition to it was demonstrated.

Dr Blackman-Woods: Does my hon. Friend agree that when many of us, with a whole range of organisations and unions, including the PCS, turned up at the Department, it would have been really helpful if the Minister had come out to meet some of the people who wished to hand over that huge petition? [Interruption.] Bill Esterson: The Minister, from a sedentary position, points out that that would not have been him. Perhaps we can take that as him agreeing that the Minister responsible should have been there to meet us all on that day. He can choose whether to respond to that point when he replies to the debate shortly.

The hon. Member for Telford (Lucy Allan) made a point about the importance of the Land Registry’s success to her constituency. That is true for each and every one of us in every constituency in the country.

The Land Registry has existed for 150 years. Currently it does not cost the taxpayer a penny. It makes a significant profit and delivered a surplus in 19 of the past 20 years. A one-off fee from its sell-off is no strategy for deficit reduction, as Conservative Members have acknowledged. It would allow for only a one-off reduction of debt. This is not an economically coherent approach to Government finances. Worse, it is cynical to pretend to taxpayers that the proposal constitutes the responsible management of the economy. I am afraid that, driven by the Treasury and the Chancellor, privatisation is exactly what the Government appear to be trying to do.

The consequences of selling off the Land Registry are far wider and more dangerous than losing a profitable public sector enterprise. Having a trusted impartial register of land underpins our economy. I do not need to repeat to Members the uncertainty and danger that has been caused by the Brexit decision that was taken a week ago. We have seen that uncertainty in the markets and it is spreading to the real economy, with job losses already announced. That uncertainty applies right across our economy, as well as to the role the Land Registry plays.

Any house that families or companies buy or sell relies on the Land Registry granting and transferring title deeds. It is the only proof of title or ownership recognised by law for £3 trillion of UK property. By virtue of it, every property sale, purchase, repossess and mortgage in the UK is carried out transparently and in confidence by the seller, buyer and lender. The Land Registry’s independence is fundamental to the trust that homeowners, mortgage lenders and solicitors place in it. How could that trust remain if the very basis of that trust—the knowledge that the Land Registry is
utterly impartial—is removed? How could the Government maintain that its impartiality will remain if it is taken over by private interests?

Let us look at the potential buyers who are showing an interest. Of the private investment firms reported last month by The Times to be interested in running the Land Registry, all have links to offshore tax havens. That makes a mockery of the Government’s claims of being serious about clamping down on tax avoidance and tax evasion. Canadian pension company OMERS, American private equity firms Advent International and Hellman & Friedman, and General Atlantic each have links to such jurisdictions, not least the Cayman Islands. When the Minister responds, will he tell us if he agrees that the Land Registry’s absolute transparency and independence from private interest is fundamental to the trust placed in it by homeowners and mortgage lenders? Does he also agree that this trust would be fundamentally undermined if such firms took over? That is what people up and down the country can see happening.

Christian Matheson: It strikes me that the companies that my hon. Friend has just cited as potential owners are also all foreign based. Does he share my concern, apart from their being tax dodgers, that we should resist placing something so fundamental to the UK in foreign hands?

Bill Esterson: My hon. Friend is right. Of course, we have seen a steady direction of travel towards foreign ownership of British interests for a great many years. It is surprising that we have anything of any substance left in this country that is not foreign owned, given the way the Government proceed. He puts his finger on an important aspect of the debate and another good reason why the proposal should be turned down.

My hon. Friend the Member for Swansea East (Carolyn Harris) mentioned the timing. The way in which the Government time their announcements is normally a good indication of how conscious they are that they are on thin ice. The proposal to relax Sunday trading laws is one such example, because they slipped out that unpopular policy at the last possible moment—the night before it was debated and after legislation had gone through the Lords, where the relevant Bill started its life.

Mr Gordon Marsden (Blackpool South) (Lab): It did not do them much good.

Bill Esterson: As my hon. Friend reminds me, the approach did not do the Government much good on that occasion. I suspect, following today’s debate, it is not going to do them much good this time either.

They chose to release the proposal on the Land Registry on the afternoon of the last day of Parliament before the Easter recess. Were you a cynical man, Mr Deputy Speaker, you might think that that was done deliberately to avoid attention, but of course you are not cynical, so there is no way you would think that.

The Government are fully aware that the public do not want this and that the proposal will not stand up to scrutiny. This is not the first time they have tried to railroad through Land Registry privatisation. The public response that they received last time could not have been more overwhelmingly negative: 91% of those asked in 2014 said that privatisation would not provide a more efficient service, while just 5% thought that it would. Survation’s more recent polling—not that we should necessarily believe everything we read in polls—delivered the same message, with opposition outstripping support among the public by more than 4:1. The online petition that was signed by 300,000 people was handed to BIS just the other week. Those 300,000 people made it clear within a month of the opening of the consultation that they, like many others, were against the privatisation.

If the Government think that they can mask an economically incoherent proposal with a “public sector bad, private sector good” mantra, nobody is going to be fooled. Do they honestly think that a private operator would create a more profitable Land Registry and therefore support broader economic growth? In public hands, it is generating £100 million-plus for the Treasury each year, so that simply does not stack up as an argument. The New Economics Foundation has pointed out that state assets—not just the Land Registry, but Ordnance Survey, NATS and Channel 4—are all examples of publicly owned services that are delivering lean, efficient and profitable business models. If the Government have any interest in long-term growth and stability, they should hold on to those assets, not sell them off. Securing this annual revenue is the economically responsible and more stable approach at a time when we lack the certainty on which the economy and business depend.

Do the Government honestly believe that a private operator would create a more efficient Land Registry? The Open Data Institute says that moving the body out of public hands would build barriers in our data infrastructure, reduce efficiency not just in the Land Registry but across Departments and other public services, and have clear consequences for public confidence. Do the Government honestly believe that a private operator would support a more transparent Land Registry? If it was privatised, it would cease to be subject to the Freedom of Information Act. It beggars belief that the Government can seriously suggest that, in the wake of the release of the Panama papers, it would be reasonable to pursue policies that make it easier to conceal landownership for non-doms?

If the privatisation happens, the Land Registry will go to private interests that are not subject to the same checks and balances, such as freedom of information provisions, as any remaining public sector body. As my hon. Friend the Member for City of Chester (Christian Matheson) said, we are not just talking about any private interests. Judging from the interested parties so far, these are interests that are already tied up overseas, including in tax havens. Given that we are dealing with trillions of pounds of property that underpins our whole housing sector, this can only be downright dangerous.

Privatisation would deny homeowners, mortgage lenders and buyers an independent national register of title deeds. It would be destabilising. The consultation asks how, not whether, privatisation should go ahead. We should enable the Land Registry to continue innovating, and delivering savings and revenue to the Government. It is already a success, so why does the consultation not consider the option of encouraging further improvement, development and success in our public sector, both to improve service and to generate further revenue, if that is what is driving what the Government want?
As I understand it, the Minister for Small Business, Industry and Enterprise has told constituents that this is a ridiculous idea driven by Treasury capital receipts. I agree. Labour will fight this privatisation, and I hope that the Government will once again perform a U-turn in the face of widespread pressure from professionals and the public alike.

1.47 pm

The Parliamentary Under-Secretary of State for Life Sciences (George Freeman): I congratulate the Backbench Business Committee on picking this debate. I did not get here by rebelling against the Government often, but I am proud that one of my early rebellions was in support of that Committee. It has done us a service by bringing this debate to the House. Strong views have been expressed from all parties, except UKIP, which does not seem to have a view on this, and the Liberal Democrats. I also congratulate the right hon. Member for Tottenham (Mr Lammy) on securing the debate.

I want to say something about what the Land Registry does and why it is such an important office in this country, and to touch on why it is right that the Government review the basis for investment and leadership in different parts of the public sector. I will deal with several of the issues raised by hon. Members and confirm the Government’s position.

The Land Registry, as colleagues on both sides of the House have highlighted, underpins an important role of the state in keeping a safe, reliable and independent register of landownership. As every speaker has acknowledged, that goes right to the heart of our property-owning democracy. The rights of ownership of land are rights which are underpinned by the law of property. We believe in the importance of that, and that is why the debate is important.

The Land Registry deals with more than £4 trillion of assets, with £1 trillion of mortgages depending on that clarity of ownership. Its 4,500 members of staff, to whom I pay tribute for carrying out an important function in our society, lead and manage the organisation. Accounts show that in the last year it generated £295 million in income, incurred slightly less in costs, and paid back to the Treasury a £14 million dividend—each year, it has paid back to the Treasury a £14 million dividend. It is currently addressing issues of digitisation and efficiency, including through the much-commended map search and property alert products. It carries out a vital role at the heart of our system.

Colleagues, particularly on the Opposition Benches, have talked about privatisation, so it is worth reminding the House why successive Governments have embraced a bold programme of privatisation and the rationale for so doing. I stand as a proud member of a party that achieved much through that programme in previous decades. You do not need me to remind you, Mr Deputy Speaker, but privatisation was driven by the need to introduce competition and choice into key services on behalf of consumers, users and taxpayers; to draw additional investment into those services at times when Governments were not able to make that investment; to introduce new management into sectors of our economy that were failing, such as British Leyland and British Telecom; and to take off the Government balance sheet chronic liabilities that they were unable to meet and deal with.

That last point was one of the original rationales for the transfer of council houses from a state that was unable properly to maintain them to the citizens, who then showed how to maintain them and have been grateful to us ever since. People forget that a large amount of money was recycled back into the housing association revolution, which led a huge boom in public housing, albeit perhaps not a big enough boom. That reform was made to deal with a serious liability and to transfer a major asset—in that case, council housing—into the hands of the people who were paying for it through their taxes, and indeed to increase tax revenues for the Government. Many people—

Alan Johnson: Will the Minister give way?

George Freeman: I need to crack on—I am sorry.

Many people, probably including many Opposition Members, would admit that it would be strange to have a society—[Interruption.] Oh, I have lots to say. Very few Opposition Members would today be calling for the return of British Aerospace, British Telecom, British Gas, British Petroleum, British Leyland, British Steel and British Airways. We have achieved much in recent decades. I am merely reminding the House of the arguments for privatisation made at the time. We will come shortly to decide whether they are appropriate in relation to the Land Registry.

Alan Johnson: I am grateful to the Minister for his fascinating history of privatisation. Can he explain why, when the rabid privatisers in the Conservative party were privatising all those things, they did not go anywhere near the Land Registry?

George Freeman: The right hon. Gentleman makes an interesting point. I was just setting out the reasons for dealing with sectors such as aerospace, telecoms, gas and other utilities, and British Leyland. Does anyone seriously think we should still have a car industry in the hands of the management of British Leyland? I doubt it. I merely remind the House that the reasons for those privatisations were to do with competition and choice, investment, management and the reduction of liabilities on the public balance sheet.

What would be the rationale were the Government to take privatisation of the Land Registry forward? Well, I can confirm that the Government have absolutely no plans for this. We have carried out the consultation and we are in the process of hearing, loud and clear, what is said. For those watching from the Gallery and wondering why it is even being considered, the rationale would be to create a basis on which the Land Registry, if it needed it, could raise substantial extra investment that the Government could not provide. It could be a mechanism to get a substantial injection of new leadership, to help the Land Registry to deal with the opportunities of globalisation—around the world, newly liberated and fast-growing economies and societies are looking to copy the UK model in many respects, and this might be one of them. And yes, it could be a mechanism to help us to tackle a still ongoing and chronic debt and deficit crisis, which has saddled the next generation of this country with debts. The Government look all the time
at the public balance sheet, so those are the reasons why an institution such as the Land Registry might be worth considering.

**Bill Esterson:** The Minister is giving reasons why the Government might look at something. If the Government do not have a view, why was the consultation framed as it was—in terms of how to privatisé, not whether to privatisé? Does that not suggest a fundamental commitment to the privatisatation?

**George Freeman:** I suggest that the best indication of our commitment is what I am saying at the Dispatch Box right now. I will comment in a moment on events going on outside this Chamber, which will determine how this is ultimately taken forward.

I was making the point that the Government have carried out a consultation. It is right that, as a responsible Government, we keep under review whether and how functions that are currently the monopoly responsibility of the state can be better financed and thrive more with new freedoms, and by so doing put the public finances on a stronger footing. I merely set out the rationale on which such matters have been addressed in the past and confirm once again that the Government have no plans. This is merely a consultation. We have received no bids; no decision has been made.

**Mr Lammy:** When the Minister says the Government have no plans, is he in fact pronouncing on the consultation? He has heard the House this afternoon: no one has risen to speak in favour of privatisation. Obviously, one is reflecting carefully on whether to test the strength of feeling by putting the matter to a vote. It is important to understand what the Minister is saying, because the real concern is that this is a Treasury-driven proposal—that was one of the reasons he gave. If that is the case, it probably is right that the House of Commons demonstrates to the Treasury that it probably would not get the privatisation through.

**George Freeman:** The right hon. Gentleman is a canny parliamentary operator. Let me continue my speech and deal with the various points that have been raised, because in so doing I may be able to reassure him that this Business Minister is listening and has heard what has been said loud and clear.

**Christian Matheson:** I am a little confused. If the Government have no plans to privatisé the Land Registry, why hold the consultation in the first place?

**George Freeman:** I am glad the hon. Gentleman asks that. Let me explain.

It may have escaped the hon. Gentleman’s notice for the purposes of this debate that the present Government and our predecessors, the coalition Government, have had to confront a very serious crisis in our public finances on behalf of us all, but on behalf in particular of the young of this country, whose debts these are not and who did not make the decisions and are not responsible for incurring them, but who have entered a society and an economy mired in debt. That creates a situation that any responsible Government have to deal with. If the Opposition want to form an alternative Government, they will have to deal with this question, which sits at the heart of the reality confronting any serious candidate for Government. As a Business Minister in the present Government, I would not be doing my job properly if, with my colleagues, I did not keep under review the functions that we currently carry out within Government and ask whether there is a way to put them on a footing where they can raise the investment they need off the public balance sheet and attract stronger and better management—Whitehall is not always the best place to manage every function in the state. We have to be creative about how to generate more revenue, so that we can support higher quality services for UK customers, citizens and taxpayers. I do not think a modern Government would be doing their job if they did not ask those questions.

A Government also have to consider the points made by parliamentarians and take into account the issues that might arise from such a move in terms of the delivery of the service. That is what the Department is doing right now. We are considering the responses to the consultation and the submissions made today in this debate, which is why I thank the right hon. Member for Tooting for securing it. Let me reply now to the points raised.

The right hon. Gentleman spoke about the public concern and questioned the motive for having the consultation. I hope I have dealt with that; there is no illegitimate motive. It is appropriate for a Government to ask the question. He made a really important point, which others have echoed, about transparency. The register sits at the heart of our democracy because it is a register of land ownership. It is important that it is transparent and interrogatable and that people can see that it is.

The right hon. Gentleman raised the need to ensure that the operating surplus is reinvested and to allow the organisation to grow and develop. The right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson), who was very amusing in his summary of the quinquennial reviews that plague all Governments, asked the important question: what is the compelling case for this? I have tried to set out the bones of what a case might be; whether it is compelling or not, it is required to be considered alongside the other points that are being made.

My hon. Friend the Member for Harwich and North Essex (Mr Jenkin) made an interesting speech. As he pointed out, he is someone who one would normally expect to be on the barricades for more privatisation. Indeed, he was a great champion of it in decades past. He made the point that this is critical infrastructure and goes right to the heart of our ability as a society and a political economy to keep track of our land rights.

Issues were raised about integrity, stability and the importance of open data and transparency. I am the Minister who, with other responsibilities, is in charge of ensuring that the country is able to use our health data to modernise the NHS, to attract the investment we need in new medicines, and to make the NHS and the UK world leaders in developing new medicines. We are absolutely clear that, in doing that, one of the things that we will not do is sell any state or private data. We are building databases on which industry can work with us to interrogate the conditions for new diseases, but we
are seeking to take royalties and rights from commercialisation to put that money back into providing additional services. However, we are absolutely clear that it is a reference library, not a lending library. That principle of not selling core data is important. We want data to be open and used to support innovation and greater research. I know that my hon. Friend cannot be here for my speech; he did give me his apologies—he had to be somewhere else.

My hon. Friend the Member for Carlisle (John Stevenson), a solicitor himself, who has used the Land Registry and indeed relied on it, was pretty powerful when he referred to this as a privatisation too far. My hon. Friend the Member for Colchester (Will Quince), who has been a property lawyer—once a property lawyer, always a property lawyer—made a similar point and echoed the concerns, referring to this as potentially anti-competitive and said that he would have concerns on those grounds.

My hon. Friend the Member for South Dorset (Richard Drax) raised a chuckle or two when he referred to his belief that every Englishman’s home is his castle. He referred to this as quasi-judicial, which may be a reference to the name of the new Lord Chancellor in the next Administration, but he talked powerfully about the Government having bigger fish to fry. He is right that any Government formed to deal with the scale of the ongoing crisis, which is affecting this economy and others across western Europe, with ageing societies, the need to reform and update our public services, and to get rid of deficits and to pay off the debt, will face substantial issues, and this is one small part of looking at how we can refresh and modernise our approach to 21st century Government.

My hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) made a powerful point about this debate being something of a symptom or an emblem of a new politics and mentioned our late, much lamented and respected colleague Jo Cox, whom I suspect would have spoken in the debate with her much respected blend of passion and local responsibility. She would have spoken for her constituents. My hon. Friend made the point that if any reforms were to be put in place, we would need to set out clearly the view of those who have spoken on both sides of the House. If anything is to be done to look at the future of the Land Registry, it will need to be clearly focused on solving particular problems that exist today and dealing with specific issues that need to be addressed. I think it was one of the Members on the Opposition Benches who said, “If it ain’t broke, don’t fix it.” The right hon. Member for Kingston upon Hull West and Hessle called for clarity on what the case would be. I think we can describe the Minister as one of the more eloquent junior Ministers. I think he acknowledged that he was making a case for looking at a private sector monopoly. That is partly why I repeated the rationales for those early privatisations. They were never about creating private monopolies; they were about choice and competition where those would be advantageous for the consumers and users of the service. My hon. Friend the Member for Telford (Lucy Allan) powerfully endorsed those points.

I am conscious that the House’s time is precious. Although I would love to stand at the Dispatch Box all afternoon and talk about how we might embrace more interesting, bolder and innovative models for delivering private and public sector innovation, I am conscious that colleagues are distracted by events beyond this Chamber. [Interruption.] I assure Members that whoever it is, is not behind me, in more ways than one.

I confirm that the Government have merely consulted in the last few weeks and months on this question; for the avoidance of any doubt, I also confirm that no decision has been taken and that Ministers are listening carefully to the views that have been expressed. As a Government we have a serious responsibility to ensure that we constantly keep under review the arrangements we have in place for the delivery of services such as these.

As my hon. Friend the Member for Colchester said, we were elected on a mandate to balance the books. That requires some careful judgments about the timing and the way in which we do it. My ministerial portfolio is all about driving a different model of innovation between private and public; working together and ending the apartheid of private productive and public not; I do not think that that is appropriate or sensible for 21st Government. We need to find ways of working together. It is right that we constantly look at these issues. Colleagues have touched on a range of different models. Were one to look at taking forward a way to put the Land Registry on a footing that allows it to invest faster, to develop new services and new leadership and to tap into global markets, one could consider a range of models, including mutualisation and the new structures that are being developed.

We have heard the concerns expressed in the House loud and clear. Others elsewhere, in those other rooms I referred to, will determine in due course what the Government will decide to do in this case later in the year. I am aware, as all of us painfully are on the Government Benches, that the majority is 12. It does not require many people to take a different view from the Government of the day in order for us to assess the likelihood of getting a measure through. I have no idea what those currently looking to form the new Administration will want to do when they are in office, but anyone listening to the debate will have heard loud and clear the view of those who have spoken on both sides of the House. If anything is to be done to look at the future of the Land Registry, it will need to be clearly focused on solving particular problems that exist today and dealing with specific issues that need to be addressed. I think it was one of the Members on the Opposition Benches who said, “If it ain’t broke, don’t fix it.” The right hon. Member for Kingston upon Hull West and Hessle called for clarity on what the case would be. I heard him loud and clear. We would need to set out clearly the problem that we were trying to solve to take the matter forward.

I hope that I have addressed the points that have been raised. I again thank the right hon. Member for Tottenham for securing the debate.

2.7 pm

Mr Lammy: This afternoon, the strength of feeling in the House has been conveyed. Across the House, there is opposition to the privatisation of the Land Registry. I think we can describe the Minister as one of the Government’s more eloquent junior Ministers. I think he acknowledged that he was making a case for looking at the matter, but that he clearly had not made a compelling case for privatising it. He used phrases such as “listening very carefully to the House” and “merely looking at it.” On that basis, those who read the debate in Hansard and reflect on what he has said and on what he has not been able to say in any convincing form might conclude that it is unlikely that the Government will move forward in this way. Certainly with the majority as it is, it is clear that the Government would not command the strength of the House. I hope that the debate gives some comfort to those deeply concerned
across the country and to those who work for this great institution. With that, we can perhaps move on to the next debate.

*Question put and agreed to.*

*Resolved.*

That this House notes the important role the Land Registry plays in registering the ownership of land and property in England and Wales; further notes that the Land Registry has made a surplus in 19 of the last 20 years and paid back £120 million to the public purse in 2015 alone; believes that any privatisation of the Land Registry will have serious consequences for transparency and accountability in the UK property market and hinder efforts to crack down on corruption and money entering the UK property market via offshore jurisdictions; expresses grave concern that all the potential bidders for the Land Registry have been found to be linked to offshore tax havens; notes that the Government has acknowledged that property can provide a convenient vehicle for hiding the proceeds of criminal activity; notes that the Prime Minister stated in July 2015 that there is no place for dirty money in Britain; regrets the Government’s decision to seek short-term profit at the expense of the public interest; opposes the proposed privatisation of the Land Registry; and calls on the Government to reconsider that proposed privatisation.

**Bank Branch Closures**

2.9 pm

**Christian Matheson** (City of Chester) (Lab): I beg to move,

That this House is concerned about continued bank branch closures and the damage that this causes to local communities, small businesses and the welfare of senior citizens; and calls upon the Government to help maintain access to local banking.

The motion stands in my name and those of the hon. Members for Wells (James Heappey) and for Ceredigion (Mr Williams). This has been very much a joint effort and I pay tribute to them. I would like to thank the Backbench Business Committee for the opportunity to bring this motion and debate before the House today.

When the three of us approached the Backbench Business Committee, hon. Members serving on it graciously offered us the day of the local elections as a possible occasion. Knowing that there was wide support for the debate and not wanting it to get swamped by external events, we declined and asked for a later date. That worked out well, didn’t it?

I have a smartphone in my pocket that has an app—let me explain to more senior hon. Members that that means an application—through which I can access my banking services, pay my bills, check my balance and transfer money between my accounts, none of which, I hasten to add, are sited offshore. I can probably even apply for a loan. Banking is changing, and in many ways it is becoming more convenient and perhaps changing for the better.

Convenience, however, does not rely solely on the possession of a smartphone. The physical presence of a bank is still important. Today, I shall not call for a halt to all technological advances in banking. I do not want to go back to the days of accessing cash by having to cash cheques in a branch, and I certainly do not want to go back to the days of using credit card devices that the shopkeeper used to have to fill in by hand and then run a mechanism over to print the credit card details on carbon paper.

**Albert Owen** (Ynys Môn) (Lab): In my pocket I have a cheque book and a mobile phone, but when I go to the bank, I do not have much of a choice when it refuses to provide many services. The serious point is that many places in my constituency do not have a mobile phone signal, so people face even greater limitations on how they can provide or access services.

**Christian Matheson:** My hon. Friend makes an extremely useful point, and if he will bear with me, I may come on to say more about some of the areas that are suffering the most from these bank closures.

As my hon. Friend has perhaps alluded to, we need to recognise that for many—the elderly, people with caring responsibilities, and small business owners—high street banks’ programmes to close many of their smaller branches and centralise everything in the centre of large towns create havoc for individuals and businesses and damage local communities.

My interest in this issue was prompted by a spate of branch closures in the Hoole area of Chester. Last summer, NatWest announced it was closing its branch there. The excuse was that the branch was underused.
Yet I and my team undertook a scientific survey of usage by standing outside and counting people going in over several hours that flatly contradicted the suggestions made by NatWest. HSBC had already gone in Hoole, and it was followed more recently by Lloyds, leaving only a Barclays branch as the so-called last branch in town. Bank branches around Chester had been closed previously, including in the Boughton and Salterny districts.

All our banks are now in the centre of Chester, which has several profound effects. First, it increases traffic into the city centre. Ours is already a congested city built on the beautiful River Dee, but when the Romans founded it and when it became a bustling market town in the middle ages, nobody thought to design it with the needs of 20th and 21st-century car use in mind. Keeping satellite branches is, strangely, good for the environment. More importantly, satellite branches support local businesses.

Nia Griffith (Llanelli) (Lab): My hon. Friend hits on the point that it takes up a lot of small businesses’ time if, instead of banking locally, they have to go to another town where the traffic is piling up. That is the complaint I have heard from people in Cross Hands because that is what they will be forced to do when their bank closes.

Christian Matheson: I thank my hon. Friend for her intervention, and I was about to make exactly the same point.

People drop into shopping areas such as Hoole to go to the bank and then perhaps to one of the local shops. Incidentally, Hoole recently won the outstanding award from the “Great British High Street” awards, for which I thank the Under-Secretary of State for Communities and Local Government, the hon. Member for Nuneaton (Mr Jones). I would be grateful if the Minister passed on my thanks to him.

The bank is very much part of the ecology of the local high street. If we take it away, we damage that ecology and the other small businesses that rely on it for increasing custom, as people pop to the bank and then to one of the small shops. We rely on it, too, to provide easy access to banks for small businesses, as my hon. Friend the Member for Llanelli (Nia Griffith) pointed out. Small businesses feel able to put up a small “back in 10 minutes” sign on their door in the middle of the day as they pop down to the local bank to get change or pay in money, but they would not feel able to put up a “back in two hours” sign if they were forced to go into the city centre of Chester or indeed any large town. It is tough running small businesses and time away from the shop is business time lost.

For all the advantages of internet banking—and there are many—the blunt truth is that a small business cannot pay cash into the bank through a laptop computer. I cannot help but wonder whether all of this is made worse because of the advertising these banks use. No wonder HSBC moved away from calling itself “the world’s local bank”; yet we still have Lloyds bank saying that it has been “by our side” for 250 years—at the same time as it closes its Hoole branch. It is not by our side any more in Hoole, I am afraid. The very untruths of the advertising campaigns, claiming to be local and supportive of local small businesses, while making access to branches harder, exacerbates the crisis that we face—and it is a crisis.

Reuters reported last week that 600 branches closed in the 12 months to April this year. There is a social division in these closures. It says that more than 90% of the closures were in areas where the median household income was below the British average of £27,600, according to an analysis of Office for National Statistics data on average incomes in the locations where branches were closed. By comparison, five out of the eight branches opened by these banks over the same period were in some of the wealthiest neighbourhoods in Britain: Chelsea, Canary Wharf, St Paul’s, Marylebone and Clapham, all districts in London. That is right: despite the onward march of technology, banks are still opening new branches, but in highly affluent areas.

The Reuters report cites concerns from campaigners that “banks are cutting too fast in places where people are less able to fall back on digital banking services because of a lack of access.” That reminds me of the words of my good friend the hon. Member for Ynys Môn (Albert Owen) about the different ways in which access to banking services might be prevented. Problems can be caused by people’s finances, the lack of physical access or the inability to use the internet. The report quotes Fionn Travers Smith of Move Your Money, which campaigns for ethical banking. She says: “We are witnessing the creation of a dual financial system: one for the middle class and wealthy and another for the poor.”

Indeed, I have found that one of the groups to be hardest hit by the recent closures in Chester are pensioners, not necessarily the most tech-savvy group—although I do not want to make assumptions—who now have to make the journey into the centre of my city.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): On that point, I have been dealing with a constituency case in which a couple were conned out of their life savings—some £50,000—in a sophisticated telephone and online scam. Does the hon. Gentleman agree that forcing people to adopt these services rather than giving them the option of over-the-counter services serves only to enable organised crime and scams?

Christian Matheson: I have to say that the thought had not occurred to me, but I think that dreadful case illustrates a problem on which we should all focus. We can have a lot more confidence in dealing with a bank when we are inside a physical bank and dealing with an individual as opposed to being subjected to one these terrible scams. I am most grateful to the hon. Lady for bringing that awful case and awful problem to our attention.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): The trend is towards bank branch closures, and we tend to see that more in areas of deprivation and of the greatest need. Given that in these areas people often face high interest rate alternatives, does my hon. Friend think that we should hear more from the Government about how they intend to create more responsible finance options in areas where bank branch closures are happening—such as more support for credit unions and for community banks, of which there are a number in the UK?

Christian Matheson: My hon. Friend has a long, proud and honourable history of working within the co-operative movement, and he is an expert in this area.
I intend to touch briefly on the role of credit unions as I progress through my speech.

Let me return to the problems faced by pensioners in accessing bank branches. I realise that this is not necessarily the responsibility of the Minister who is present, but at the same time as branch closures in the satellite districts are forcing people into the town centre, privatised bus companies are cutting the bus services on which pensioners rely more than any other group in society, this making it even harder for them to make that journey into the centre.

It is clear that local post offices have taken up some of the demand. Members, both current and previous, have fought long and hard against the closure of those post offices, whose continued existence has been aided by their provision of banking services. I am pleased that they have that role, but it does not constitute a suitable total replacement.

I suspect that Members may criticise the banks for the manner in which they undertake their closure programmes. I, too, am critical of the seemingly hasty and often desperate way in which those programmes are conducted, based solely on cost-saving and with no eye to service. Today, however, I want to be positive, and to propose a new solution which I hope the Minister will consider.

My suggestion is that high street banks should come together where they are closing branches to form local banking hubs. In other words, they should maintain provision on local high streets, as opposed to major town centre high streets, in shared premises and with shared costs. They could provide the automatic paying-in and cash withdrawal machines that we see in bank branches now, along with, perhaps, booths containing phones so that clients could contact bank call centres if necessary. As was suggested by the hon. Member for Rutherglen and Hamilton West (Margaret Ferrier), it might also be helpful if staff were present to assist.

I accept that there are technicalities to be resolved—who would employ the staff, and who would own or lease the properties?—but today I am concerned only with floating provision on local high streets, as opposed to major banking hubs. In other words, they should maintain together where they are closing branches to form local banking hubs. In other words, they should maintain provision on local high streets, as opposed to major town centre high streets, in shared premises and with shared costs. They could provide the automatic paying-in and cash withdrawal machines that we see in bank branches now, along with, perhaps, booths containing phones so that clients could contact bank call centres if necessary. As was suggested by the hon. Member for Rutherglen and Hamilton West (Margaret Ferrier), it might also be helpful if staff were present to assist.

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10,000 people, but it serves a much wider hinterland. How extraordinary it is that 750 businesses should reply to a survey entitled “Glastonbury Bank Closures”! That tells us just what an important issue this is.

There is also the challenge of rurality. There are transport links in areas such as mine that do not allow people to travel freely from one town to another to do their banking when the bank on their high street has closed, and the people whom that disadvantage most are the most vulnerable and the isolated in our society.

Mr David Lammy (Tottenham) (Lab): The hon. Gentleman has just made an excellent point, but may I ask him this? Given the iconic status of Glastonbury, and given the problems that clearly existed before the last branch closed, did the bank bother to consult him before making its decision, or was he presented with a fait accompli?

James Heappey: To be fair to the banks, they did write to notify me of their decision, and the more noise I make in the media, the more willing they were to meet me here to discuss it. However, the right hon. Gentleman would be right to suggest—and I would agree—that it was not exactly a process whereby the local Member of Parliament was encouraged, as a representative of the community, to take soundings on what was actually of value to that community. It was more about assuaging my fears and trying to persuade me that various steps were being taken in mitigation.

I was talking about the vulnerable and the isolated. There are certain things that draw the elderly, in particular, out of their homes over the course of a week, such as going into town to do their banking and to visit the market and the library. When banks are removed from towns and people are told, “We will teach you to be better at using a computer”, that is all well and good, but it does not alter the fact that, for some, that journey into town will have been their interaction with the outside world for that week.

Moreover, digital exclusion is a real problem, in two respects. First, there is the issue of competence. There are people who are just not very good at handling their affairs over the internet. There are people who have been doing things in the same way for a lifetime, and who do not trust the process of putting their financial affairs in the hands of electrons on a screen. They want to give their money to a person over a counter, and see it locked away in the drawer and on its way to the bank’s vaults.

Then there is connectivity. I know this is not a rural-urban issue and I know that the Government’s broadband roll-out programme is making great advances in areas like mine, but the reality is that these banks are closing more quickly than the broadband network is being improved and so even those who are willing and able to do their banking online are not always able to do so.

Albert Owen: The hon. Gentleman is giving a very eloquent description of his area’s situation, which I am sure is mirrored across the whole of the United Kingdom. What he is suggesting is that there is no joined-up thinking. We have one Department—BIS—that is responsible for one area and the Department for Culture, Media and Sport responsible for another. There is also a survey by Government to retain and regenerate town centres, which has been ignored, because the hon. Gentleman highlighted four empty buildings in his relatively small town.

James Heappey: I am grateful to the hon. Gentleman for his intervention. While of course the Treasury will have an interest in the provision of banking, DCMS will have an interest in the provision of broadband, and the Department for Communities and Local Government and perhaps the Department for Environment, Food and Rural Affairs might concern themselves with the overall impact on the viability of communities in both rural areas and towns.

I am also concerned about the capacity of the post office network to pick up the slack. They are offered again and again as the route out of a bank closure, yet too often there are reasons why the Post Office cannot do more, and I will come to that shortly.

Finally, there is the availability of free-to-use ATMs in our town centres. Replacing an ATM outside a bank with something we need to pay a few pounds to use is not fair on the community that then finds itself needing to access its cash at that expense.

Mr Gareth Thomas: In the United States, when banks take significant deposits from particular communities, they are required by regulators to demonstrate that they are offering significant financial services to those communities in return. Does the hon. Gentleman think that such a requirement might have meant that his Glastonbury constituents might have had some confidence that the banks were at least going to help a credit union or community bank to get up and running, to offer an alternative service if those banks were still determined to leave?

James Heappey: The hon. Gentleman steals my thunder, because I had indeed read Congress’s Community Reinvestment Act and I think there are some very interesting things in it. For the benefit of Members who might not be familiar with it, it does exactly as the hon. Gentleman suggests: it is a safety net that means that those getting a banking licence in the United States can of course bank in all the affluent areas, but they are also required to offer equal access to banking in less affluent areas, and there are ways to make sure that that is happening, which the Government may wish to consider.

The hon. Member for City of Chester (Christian Matheson) picked up on the very worrying Reuters research reported by Andrew MacAskill and Lawrence White. I hope that the Treasury is aware of it. That 90% of closures are in areas where the median household income is below the national average is deeply suspicious and I am sure cannot be just a coincidence. It concerns me enormously that the two banks that have closed the most branches since 2008 are those that benefited the most from the bail-out by the hard-working taxpayers whom they have subsequently turned their backs on. As a good Conservative, I do not propose to advocate interference with the business plans of those banks, but I do think it is important to make sure that they are not focusing their branch network on the areas where they can make the most cash, when the nation collectively bailed them out not so long ago.

Worse still, as those bank branches close—we are now down to fewer than 9,000 branches on UK high streets—payday lenders are opening branches at an alarming rate. I draw no connection with the fact that
payday lenders are targeting high streets where the conventional banks have gone. However, if the Reuters research is correct and the banks are closing at a quicker rate in less well-off areas and the payday lenders, as we know, are targeting the very same areas, it bothers me enormously that on those high streets there is no access to proper conventional banking products but plenty of access to payday lenders. I am not sure that that is socially just and it must be a concern for us all.

The impact on small businesses is significant. Representatives of the Federation of Small Businesses met with me at the Royal Bath & West Show, having heard that this debate today had been granted, and were falling over themselves to say that they would be able to provide me with information. They have been hugely helpful. The reality is that the bank branch network is most valuable to small businesses. Yes, we must worry about the vulnerable and the isolated, but they are a relatively small number of those who need to access banking. It is the small business community that has no other choice. Small businesses rely on cash, and sometimes they have no other staff.

Glastonbury is a great example of a high street where there are lots of small shops. If you are in the market for all sorts of crystals or joss sticks and everything else, Glastonbury is the place. There are dozens and dozens of tiny shops that have only one person working in them at a time. So when the moment comes in the afternoon to clear out the till from that day’s takings and leave just the float for the next day, the shop must close. A year ago, the person would run round the corner, do their banking and then be back in the shop about 15 minutes later, and that was all the custom they lost. Now, unless they are fortunate to bank with one of the banks with which the Post Office has agreed full functionality, they must get in their car, or on the bus, and travel a few miles away and potentially be closed for an hour. It is unworkable. The travel is simply not an option for them and digitisation will not change that. People going into small shops such as these, where they are buying knick-knacks—’I am sure Hansard will enjoy that term—for relatively small amounts of money, will invariably pay in cash.

The Competition and Markets Authority has also done some research, and has found branch convenience to be the second most important factor when choosing a bank. Some 84% of respondents classed bank branches as important to their business. Further research by McKinsey found that one third of small and medium-sized enterprises use bank branches at least once a week, and 52% of respondents to the FSB rural banking survey said that they communicate with their bank in branch and three quarters said that if they still had a branch they would prefer to be doing their communication there, face to face. It is important to state that what they are concerned about is not just their ability to bank in cash; they are also concerned about that relationship—their ability to informally access advice from someone in a branch who understands the business climate in their area. That is being taken away from them. They want something that is tailored, trusted and freely available from somebody they know and who lives and works amongst them, rather than somebody on the end of a phone in a call centre located who knows where.

The basic backing that is required for business is coming; this process is not entirely without mitigation. There is greater online functionality—the ability to pay in a cheque by taking photographs of it on your smartphone and so forth is all great. The arrival of smart ATMs that will be able to process cash deposits is also very welcome. G4S—who we remember from the Olympics—now says it will drive around and collect people’s cash from them and return cash to them; businesses can make their own minds up about that. But the reality is that whatever G4S may or may not do and however brilliant smart ATMs may be, their roll-out is not happening before these branches close and, as a result, communities are being left with a gap.

As I have said, the post office network is the alternative. The Post Office is enthusiastic about the opportunity, of course, as it is a significant opportunity for it as a business, but the banks cannot have it both ways. If post offices are going to be offered up as the alternative when a bank branch closes, the bank must be willing to surrender full functionality to the Post Office so that businesses and private users are able to access the full suite of banking services. As I understand it, the banks are offering up post offices as an alternative in their community impact statements, only to say subsequently that they will not give up those functions to the Post Office because they are worried that it will steal their business. I believe that if they are worried about losing out to the competition in that town, they should stay in the town. If they have made the decision to leave, they should accept that they need to surrender some of the functionality so that their customers will have the mitigation that the banks have promised in their community impact statements.

Some anomalies have been identified. It is rumoured that there are issues over the limit on the amount of cash that the post offices are willing and able to deal with. That limit clearly needs to be removed. If someone with a small business has a monster day of trading, they need to be able to go round the corner and pay in the full amount that is in their till rather than having to sleep uneasily that night through worry that a great day’s take is still in the shop. There is also an issue over paying-in slips, which we must surely be able to get over. The banks need to sit down with the Post Office to ensure that post offices are fully able to deliver the banking the businesses need, not just the bits that the banks will allow them to deliver.

The Government obviously also have a part to play in this. The Post Office’s arrangement with the Government is up for review in 2018, and I know that the Minister will speak forcefully in that renegotiation to stand up for the needs of the banking community, given how important post offices are becoming to communities around the country for the purposes of doing their banking.

My asks to the Government also include, first, that the access to banking protocols review should be thorough and candid. Community impact statements are too debatable, as I have said. The transport data that are used in them are too often inaccurate, as are the data on the number of people using a branch. Banks say that regular users number a couple of dozen, but campaigners standing outside the branch counting people in and out say that there are many thousands. The catchment areas are shrunk right down almost to the postcode in which...
the branch is situated, yet the reality is that they serve a rural hinterland that is much larger. [Interruption.] I will be brief. One minute, Mr Deputy Speaker, if you will indulge me. The connectivity issue is often not fully understood in the impact statements.

When I spoke to Messrs MacAskill and White from Reuters, they told me that it was extraordinarily difficult to access the data on what had closed and where since 2008. If their research is right, this is happening disproportionately in poorer areas, but I am sure that the banks will want to make it clear that that is not the case by publishing their data in full. I am sure that the Government will be keen to check the data and we in this House will also be keen to know that that is not the case. This is a simple matter of fairness. People value their access to a bank. There are many reasons why the access to banking protocols need to be strengthened, and I am sure that the Treasury will take note of this debate today.

2.42 pm

Mr David Lammy (Tottenham) (Lab): I congratulate my hon. Friend the Member for City of Chester (Christian Matheson) and the hon. Member for Wells (James Heappey) on securing this important debate and echo the concerns that have been raised. Looking at the evidence, it appears that the Government lack the political will to hold the banks’ feet to the fire. What happened when a review into banking culture was announced? It was quietly shelved a few months later. What happened when branches were closing down at a rate of almost two a day in rural communities and deprived areas across the UK, affecting local businesses, the elderly and the disabled? Very little indeed. And what is happening when banks renege on their promise to retain the last bank in town, meaning that 1,500 communities have lost all their banks? Absolutely nothing.

It does not strike me as fair that ordinary people are paying the price for the failure and mistakes of banking executives. Those ordinary people have been good to the banks. They have loyally paid in their saving month after month. They have taken out their mortgages with their bank. In the cases of Lloyds, Halifax, RBS and NatWest, they have bailed them out after the banks got themselves into trouble during the financial crisis. The banks have got themselves into trouble time and again, lurching from one scandal to the next, by aiding and abetting clients who want to avoid paying their taxes, fixing the LIBOR rate, money laundering, mis-selling PPI—the list goes on. Barclays, HSBC, Lloyds and RBS have been hit with fines of more than £55 billion since 2010, and that figure is set to rise to £75 billion by the end of next year, but who takes the hit? Their customers, whose views and needs are completely disregarded by the banks’ management teams.

It is not as though there is no evidence to tell the banks that their customers value their local branches and want them to remain. Research from the Competition and Markets Authority in April 2015 found that 63% of current account customers felt that having a convenient local branch was either “essential” or “very important”. Research conducted for TSB in June found that 69% of people believed it was important to have a bank branch close to where they lived. Just because more people are repaying small debts to friends or carrying out basic money management online or by using an app on their phone, that does not mean that branches are becoming redundant—far from it. The Social Market Foundation has found that, when it comes to big financial decisions such as taking out a loan or a mortgage, or seeking financial planning advice, the majority of consumers still use bank branches. In these troubled economic times, ordinary folk want to be able to go into their branch and get good advice so that they can properly plan their finances, but in towns, villages and cities across the country, that is soon going to be nigh on impossible. That is why this debate is so important.

Banks are disproportionately shutting up shop in lower income areas. Indeed, 90% of the 600 branch closures between April 2015 and April 2016 took place in areas where the median household income is below the average of £27,600 a year. Move Your Money has told me that, far from responding to demand pressures, the major UK banks are simply closing branches in poorer areas and opening or retaining them in more affluent ones. We are seeing the creation of a dual financial system in all but name, with one section for the wealthy and the middle classes, and another for those on low incomes.

The University of Nottingham has found that the least affluent third of the population has borne the brunt of two thirds of the total closures since 1995. Indeed, the rate of closures experienced in traditional manufacturing and inner-city areas is 3.5 times higher than in areas defined by academic researchers as middle England—mainly suburbs and small towns. It is therefore a cruel twist of fate that those who are most likely to be adversely affected by branch closures are the people living in those areas in which most closures are happening. Do we really want this country to become like some areas of the United States where those who are already deprived and poor are bereft of quality financial services and left to flounder? Again, that is why this debate is so important.

I know the situation to be true because earlier this year HSBC decided to close its branch on Tottenham High Road after almost 100 years. That followed the closure of a branch of Barclays the year before. In just two weeks’ time, that HSBC will close its doors for the last time. My constituents have been told to travel to Southgate if they want to access a branch, but the journey takes at least 45 minutes by bus. What is the impact of that closure on the elderly? What is the impact on the disabled, the vulnerable and local traders who rely on such branches? I am appalled that HSBC’s management did not feel it appropriate, or even a matter of common courtesy, to consult the local Member of Parliament, the local authority, councillors or the community before making that decision.

The situation is an outrage because my constituency is a target regeneration area for the Government and the Mayor. The Treasury has underwritten regeneration in Tottenham to the tune of £500 million. We have Spurs—the best premiership football club—building a new stadium in the constituency, yet the bank did not think that it was worth picking up the phone and calling the local authority leader or the local MP to say, “We are thinking about this. What do you think? What will the High Road look like in the months and years ahead?”

Mims Davies (Eastleigh) (Con): The right hon. Gentleman is making an important speech about the value of banks to our communities. Barclays and HSBC
have contacted me about closures in Hamble and Hedge End respectively. In my experience, there is no point hearing from them because they have already made up their mind. The situation is difficult and disappointing for my elderly, vulnerable and, perhaps, non-internet-savvy residents.

Mr Lammy: The hon. Lady makes an excellent point; that is also my experience.

I am talking about consultation with democratically elected people. Banks certainly ought to speak to the local authority leader before making a decision to say, “We’re thinking about it. What do you think the impact might be?” All of us, as professionals and Members of Parliament, are used to having private, confidential conversations every day of the week. We are sometimes able to say, in private, “Have you thought about this or that?” We can talk about the future economic context of a community of which the bank may not be aware. But there was none of that; I was presented with a fait accompli. Frankly, HSBC was patronising.

When I was a 16-year-old with what felt like very little prospects way back in the mid-1980s, I got a little job over the summer holidays in that local HSBC branch—it was then Midland Bank. I feel personally affronted that the bank where I saw my first prospects, and where I had put on a suit and thought that I might have serious conversations every day of the week. We are sometimes

Mr Lammy: My hon. Friend is right. The House will recall the hugely important role that building societies played in local communities 20 years ago. We destroyed that important relationship as they all merged and became banks, and now we are left where we are. That local proximity and that different structure were lost and now we have to reinvent it. I hope that the hon. Member for Wells is part of that reinvention. The Government should think carefully about whether we need a review of such new structures. If we do, the man to do it is my hon. Friend the Member for Harrow West (Mr Thomas), who knows a lot about mutualisation and co-operatives. We need that back on our high street.

The access to banking protocol is undergoing independent review by Professor Russel Griggs—I am sure that the Minister will refer to it. In response to my written questions last month, the Government revealed their belief that

“banks should act in the best interests of their customers and continue to serve the needs of the consumer as well as the wider economy”, and that

“it is imperative that the banks live up to the spirit, as well as the letter, of the commitments in the protocol.”

However, the Government also revealed that they have not

“assessed the impact of the protocol or banks’ compliance with their commitments in the protocol”.

Perhaps the Government have not bothered to assess the protocol because they know that it is irrelevant. It cannot and does not aim to alter any decision and, as such, pays mere lip service to the idea of access to banking. The protocol states that after a bank has decided to close a branch, it will engage with local stakeholders in order to understand the impact on the community, businesses and consumers. What is the point of a consultation after the decision has been made? That is not a consultation in the proper sense of the word—it is a notification of the closure. May we change the wording from “consultation” to “notification”?

Once the horse has bolted, it does not make a blind bit of difference how customers or local businesses will be affected, so surely it would make sense to have a community that has already been through the mill and is trying to build its way back. I think of parts of this country that not so long ago had floods, for example. It takes a long time for a high street, a village or a town to get over a flood. Are the banks going to blame lack of footfall and say, “Things were a bit depressed for a few months so we just couldn’t stand by you. We’re disappearing”? Customers have stood by them, so it is about time that they grew some, as my mum would say, and stood by the community.

Mr Lammy: My hon. Friend is right. The House will recall the hugely important role that building societies played in local communities 20 years ago. We destroyed that important relationship as they all merged and became banks, and now we are left where we are. That local proximity and that different structure were lost and now we have to reinvent it. I hope that the hon. Member for Wells is part of that reinvention. The Government should think carefully about whether we need a review of such new structures. If we do, the man to do it is my hon. Friend the Member for Harrow West (Mr Thomas), who knows a lot about mutualisation and co-operatives. We need that back on our high street.

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Perhaps the Government have not bothered to assess the protocol because they know that it is irrelevant. It cannot and does not aim to alter any decision and, as such, pays mere lip service to the idea of access to banking. The protocol states that after a bank has decided to close a branch, it will engage with local stakeholders in order to understand the impact on the community, businesses and consumers. What is the point of a consultation after the decision has been made? That is not a consultation in the proper sense of the word—it is a notification of the closure. May we change the wording from “consultation” to “notification”? Once the horse has bolted, it does not make a blind bit of difference how customers or local businesses will be affected, so surely it would make sense to have a
proper, full and open consultation process in place when the bank is considering the future of a branch, before serving notice on the local community in question.

Another problem with the protocol is that there is no firm definition of adequate replacement services; it is left up to the bank to assess and even define those. Leaving the elderly and disabled with no choice but to take a 90-minute bus trip is not an adequate replacement service by any stretch of the imagination. It is clear that when banks make their decisions, they do not take into account the public interest or the likely damage that a closure will cause. I cannot see how the access to banking protocol is anything other than a woolly and inadequate attempt to protect the bank’s name.

The Government have not assessed banks’ compliance with the commitments in the protocol, I assume because their conclusion would be that there is no mechanism in place to police whether banks have fulfilled the commitments that they made in relation to closing down a branch. If a bank says that it is closing a branch but will work out an arrangement with the post office so that customers can bank there, or will move its ATM so that customers can still use it, are those promises worth anything if there is no way to enforce them? The access to banking protocol is merely being used as a Trojan horse on both sides. Banks can claim they have followed the protocol, no matter how meaningless it is, and that therefore their hands are clean and they do not need to do any more.

On that basis, it really is time the Government got a grip of this quiet scandal and tragedy that is taking place across our country and really hurting a lot of small business owners, with farmers, shopkeepers and individual traders all relying on having good banking services available to keep their businesses going. I myself ran a small business before coming into the House, so I understand the need for good local banking services.

Brecon and Radnorshire is also the land of small business owners, with farmers, shopkeepers and individual traders all relying on having good banking services available to keep their businesses going. I myself ran a small business before coming into the House, so I understand the need for good local banking services.

Not only is Brecon and Radnorshire the land of small business owners, but we have a large population of elderly people. Although many right hon. and hon. Members may try to claim this crown, I would put the beautiful Brecon Beacons and the glorious Radnorshire hills down as the best place to retire to, not only in Britain but in the world. I am pleased that so many people have chosen to retire to my constituency, but many, if not all, of them need access to reliable banking services to meet their financial needs, as many of them do not use the internet.

As we have heard, we have to recognise that branch closures are not a new problem. Branch networks have been contracting for a number of years and for a number of reasons. In recent months, I have had many meetings with regional and local bank branch managers and bank representatives, who tell me that the rise—and indeed the rise again—of technology is diminishing the need for local branch services, as people look to bank online or on their phone, rather than in the branch itself.

Furthermore, industry issues have compounded the problem, with cost-cutting exercises, mergers and footfall numbers all leading to more bank losses around the UK. I am led to understand that that trend will not end any time soon, which is not something my constituents, or indeed others, want to hear.

The problem is especially acute in rural areas such as mine. It can take someone 40 minutes or more to drive from their farm or village to the nearest town to visit a branch. When a branch closes, it will often have been the last remaining branch in the town, as we saw in the towns of Llanwrtyd Wells and Rhayader only recently. The drive to the bank then becomes even longer and even more difficult.

Rural businesses also rely on the services they receive in a branch. Small local businesses in the high streets of Brecon and Radnorshire still make cash and cheque transactions in abundance, and only local branches can offer those services. I appreciate that many banks may wish to suggest post offices as an alternative, but as several hon. Members may attest, post offices, too, have closed in the most rural areas.

Some bank branches face reduced opening hours. A consultation is going on in my constituency on the branches at Builth Wells and Hay-on-Wye. I know we are meant to steer clear of anything like Project Fear, especially at the moment, but it seems to me that reduced hours are simply a precursor to closure.

At present, however, it is those areas where banks are closing entirely that are of greatest concern to me. In my constituency, Crickhowell, Ystradgynlais and many other towns have faced closures in the recent past. Some services have moved to post offices, but many post offices have moved into petrol garages. A number of constituents have raised concerns about banking in petrol garages and many similar places. Many are worried about issues of discretion and privacy with regard to their financial matters, and I agree that that is a real concern.

Although I say all this, I do understand partly where the banks are coming from. I understand that the model has to be viable in order to operate. There would be no sense in allowing customers access to their bank accounts via a branch but having to lower interest rates on their accounts into minus figures in order to pay for it. This charge—for that is what it would be, in effect—makes no sense and would be less palatable to customers than closure.

So what can the banks do? In my area, where we have lost a bank from a permanent site, a mobile bank provides the opportunity of a solution. Some banks already provide these services in other Members’ constituencies, but not in mine. Where they have been
rolled out in other constituencies, they have, on most occasions, proved to be a great success. Mobile banks provide the access that customers and businesses need to their banking services, while giving the banks the flexibility of setting up in a suitable location without the need to pay the rents and bills that they have in a fixed branch. To that end, I have recently written to the banks to request that they bring these services to my constituency to stem the tide of closures and provide the services that local people are crying out for. Several have responded, and I thank them for that, but thus far few have been willing to commit to this provision. One of the main reasons for the lack of commitment is the cost of providing services in a mobile bank. I would therefore be interested to hear from the Minister what more we can do to support the banks in promoting mobile services for the most rural areas to give local people and businesses the support they need in their banking provision.

In the banking protocols, banks are required to consider the local populace’s access to good broadband when considering where to close a branch. In my constituency, like those of many hon. Members here, we have some of the worst connection speeds going—something on which I join many hon. Members in constantly bemoaning the ear of the Minister for Culture and the Digital Economy. Given the number of bank closures in my own and other hon. Members’ constituencies, I wonder how much consideration the banks are giving to broadband access. Perhaps we shall have to wait and see what conclusion Professor Griggs reaches on this issue in his upcoming review; we are all watching very closely.

While this is not necessarily fully in keeping with the theme of this debate, it is important to mention what happens when banks leave towns with regard to empty shop front and the knock-on effects on our high streets. When a branch leaves a town, footfall to that town clearly falls—it is proved to fall, and it is falling. This has knock-on consequences for local businesses, as many branch customers will pop into town after going to the bank and spend in our local shops, boosting our local economy. When banks leave, they not only remove that additional footfall but leave an empty shop front, which means lower rents for landlords. Each of these knock-on effects harms our local economies. Banks should be required to take such issues into account when considering a branch closure.

I would like the Government to resolve to do all they can to support local bank branches in order to keep them from closure and keep bank services as close to home as possible.

3.8 pm

Susan Elan Jones (Clwyd South) (Lab): It is a great pleasure to take part in this debate and to follow the hon. Member for Brecon and Radnorshire (Chris Davies), my next-door-but-one neighbour although 65 or 70 miles away. I congratulate him on his role as a banker, and the hon. Members for Wells (James Heappey) and for Ceredigion (Mr Williams) on securing the debate.

I would like to begin with a totally nonsensical hypothesis, because I feel that after last week’s Brexit vote there is probably no hypothesis that is too nonsensical to contemplate. Let me suggest that a law was passed in this place which decreed that no community with fewer than 15,000 people should be allowed to have a retail outlet—not a single shop. People in communities of 15,000 people or fewer would complain and say that that was ludicrous. The people responsible for the law would then say, “We have thought of a workable compromise. Perhaps there could be a little vending machine with milk, bread, chocolate bars and fruit—let’s call it an ATM, for the sake of convenience. One might have to pay a little more for the privilege, but let us do that and then people in communities of 15,000 or fewer will nod their heads in gratitude and acknowledge that that is what the world is like now.”

Of course, that is absolute nonsense. We are not necessarily talking about a world where shops in small or medium-sized communities are closing, but that is exactly what is happening in the ecology of our banking sector. The survey reported by Reuters showed that HSBC, RBS, Barclays and Lloyds Banking Group are among the banks that have cut 600 branches between April 2015 and April 2016. Indeed, the hon. Member for Wells has said that 333 branches have been cut just this year.

My constituency provides an exact example of the crisis we face. The constituency of Clwyd South, which covers 240 square miles, has lost eight bank branches since 2010. The town of Corwen, Llangollen and north Wales’s largest village, Rhosllannerchrugog, has almost 10,000 inhabitants, as well as the industrial village of Cefn Mawr and the towns of Chirk and Ruabon, have all lost bank branches—the last two just this April. In fact, my 240-square-mile constituency has precisely one bank left, in the town of Llangollen. The eight banks that have closed were run by either HSBC or NatWest, and it is only Barclays that has a single bank branch left. That is the scale of the crisis, and it is causing many practical difficulties.

Colleagues have raised the issues affecting many elderly people. When I contacted HSBC at the start of the year about the plight of elderly people as a result of bank branch closures in Chirk and Ruabon, I was intrigued by the response I received from Jonathan Byrne, regional director of the HSBC central region:

“I’m disappointed that the closure of these branches will affect elderly customers within your community. We are conscious of the impact a branch closure can have on our customers, in particular the elderly and those with mobility issues.”

Oh dear, is that the best they can do? I posed questions to him in writing about the bank branches that were closing: how many people used them; how much was held on their accounts; and if a bank branch had to close, would it be possible for us to keep one open? But, silly me, I had not realised that all that information was totally “commercially sensitive.” I was not asking for a list of how much everybody in the area had in their bank accounts, although I dare say that some of us might have found that quite interesting to read. I just wanted to know how much was being held in the accounts and how many people used the bank branches. This is a great crisis that affects—in particular but not exclusively—rural areas and small towns. As colleagues have said, its effect on businesses is a massive problem.

It is possible to open individual personal accounts with the Post Office, but, where there are post offices, there are huge variations in the financial services that
they provide. We need to remember that. As the hon. Member for Wells and my hon. Friend the Member for City of Chester have said, business banking services vary hugely from branch to branch as well. I think we need a big sort-out. If we do not have something of the sort—call it a protocol or call it something else—we will be in an even greater crisis.

I turn to the points that several hon. Members and hon. Friends have made about ATMs. The way in which we are pricing people out—often, but not always, in poorer and more remote communities—is nonsense. It is nonsense that anyone should have to pay money to receive money from their bank account. That needs serious looking at.

The beautiful town of Corwen is in my constituency. You are nodding, Mr Deputy Speaker; I think you have been there. I am not sure whether you have been on the steam train—the heritage railway—that runs through tremendous places in the Dee Valley area of outstanding natural beauty. What a shame it would be if you arrived there one Saturday morning and found that the ATM had run out of money. That would reduce your enjoyment of that beautiful area, as it does that of so many other people when it happens. This affects not only tourists, important though they are, but people who live miles and miles away from the next ATM. It is not that we have more snow, ice or bad weather than anywhere else, but in the winter there are problems in that regard.

Many of us are trying to propose solutions to these problems. My hon. Friend the Member for City of Chester mentioned a good idea about community bank hubs in various areas, and he offered Chester as a pilot area. I suggest that it might be nice to have a pilot across the border as well, and then we could compare notes. I would like to offer a suggestion about how we use mobile banks. The idea that a mobile bank will come into a community for an hour a week is not good enough. We are not talking about an ice cream van; we are talking about basic access to finance. Some banks—I believe HSBC is one—do not even provide mobile banks. When mobile banks operate in my area, they tend to be run by NatWest. They do not provide the full range of banking services that ordinary bank branches have.

The Government should look at whether there should be statutory requirements covering access to finance in our communities. I am not suggesting that every bank that has ever closed its doors should reopen or that banks should all have to provide mobile services, so that we might have three mobile banks standing next to each other on the high street twice a week. I am suggesting that we think about what we consider to be a basic, minimum service for banking. Perhaps we should look at some of the supermarkets and stores that now offer banking and ask how we can bring them into the equation.

One thing I know is that we cannot allow the current situation to continue. In my constituency, eight banks have closed in six years and only one bank is left. The same thing is happening the length and breadth of our country. It is not fair on rural communities and it is not fair on small towns. It is not even fair when it happens in urban, built-up areas. I urge the Minister and the shadow Chancellor to consider these matters as they respond, because they are crucial for all our communities.

I will, if I may, dwell on a number of areas. My right hon. Friend the Member for Tottenham (Mr Lammy) mentioned the difference mutuals make. He is right to suggest that the mutuals sector is smaller than it once was, but building societies such as the Nationwide, the Skipton, the Yorkshire, the Coventry and so on still play an important role in the communities they serve. They are much slower to close branches, which is an important symbol of their determination to do the right thing by their communities. They are helped in that by the fact that they do not have shareholders putting pressure on them always to maximise profits.

In that spirit, I encourage the Minister to dwell in her winding-up speech on what she and her Treasury colleagues might do to encourage the expansion of the mutuals sector. That sector covers not just the traditional building societies, but organisations that are part of the responsible finance movement—the community development finance institutions—of which I know she is aware.

I am thinking of the excellent work done by responsible finance institutions, such as Fair Finance, to encourage lending for individuals who cannot get loans from traditional institutions. I am also thinking of the work done by CDFIs focused on businesses, such as Greater London Enterprise, which are much more willing to provide loans to organisations set up by individuals in London which cannot access traditional sources of finance.

The responsible finance sector lends some £250 million annually to small and medium-sized enterprises, social enterprises and individuals unable to access mainstream finance. I give the Government credit for the fact that, under their regional growth fund, many community development finance institutions—or whatever we want to call them—have been able to access small additional funds to enable them to expand a little. I wonder whether it is not now time for the Treasury to be a bit more ambitious for the responsible finance sector and to look at what more it can do significantly to expand its capacity to lend more, particularly to small and medium-sized enterprises.

I ask the Minister to reflect on the way in which credit unions might be expanded. My hon. Friend the Member for City of Chester (Christian Matheson)—I commend him and the hon. Member for Ceredigion (Mr Williams) and for Wells (James Heappey) for securing this debate—mentioned the significance of credit unions. They are expanding fast, but they are still a relatively small sector within the financial services world.
The previous Government initiated a project to consider whether credit unions’ back-office functions could be significantly improved. I wonder whether it is not now time to look at how the Government can help to improve the front end of the credit union world. What can be done to encourage better marketing of credit unions? I wonder whether it is possible for the major credit unions in London to come together, perhaps with a bit of Government support, to offer a common platform of services across London. As a result of a bit more marketing support, credit unions would get more attention than they do at the moment.

Similarly, I wonder whether there should be a duty on public services actively to encourage their employees to consider the promotion of credit unions to their staff. I find it unbelievable that some public service bodies, such as Transport for London, still do not have an arrangement to enable staff to pay money directly from their wages so that they can be members of a credit union, if they want to. Many NHS hospitals do that, as do some Departments. I ask the Minister to reflect on whether the gentle prod of a letter from her, sent around the civil service and devolved institutions, could be a positive step forward in encouraging the better promotion of credit unions.

I commend the hon. Member for Wells for taking the time to look at the Community Reinvestment Act from the United States. That Act should serve as a model for further UK debate about financial services regulation and what can be done to ensure that those who take money from us in the form of savings accounts and so on also put proper financial services back into our communities.

The Community Reinvestment Act arose from US civil rights activists’ concerns that banks were redlining areas where black people lived and were not providing financial services for those communities. There are similar concerns about under-served communities in the UK. I do not think that anyone is suggesting that that is happening on racial lines, by any means; rather, there are significant areas of deprivation that are not being served properly by major financial services institutions.

I think of the Thamesmead estate of about 50,000 homes in south London. There is no major bank on the estate—the nearest is a 30 to 40 minute car or bus journey away—and, needless to say, the high interest credit providers are extremely active there. Again, that is a worry, as it can increase the cycle of indebtedness. Volunteers on the estate are making efforts to encourage access to credit unions, but there should be more support from the Government to put pressure on the big financial institutions either to lend to those communities themselves or to work with other organisations such as community banks, responsible finance providers and credit unions to offer a more comprehensive service on site. Such pressure is extremely important.

To give the Government credit, they have required the British Banking Association to publish data on the level of lending in particular communities. That is welcome. But I wonder whether the Minister has had the chance to review the quality of those data, and consult those who actively look at what banking data reveal, to see whether there are more detailed requirements for better data from banking institutions. Certainly, I have had representations from the Community Investment Coalition suggesting that banks are not yet providing detail of the right granularity to enable effective conclusions to be drawn about where lending is appropriate. Will the Minister look at that?

Lastly, I commend the work of the think-tank Demos, which in 2015 published the case for a network of independent local banks across the UK. It noted in particular that the 2014 Breeden report, commissioned by the Government, showed a lending gap for small and medium-sized businesses of between £26 billion and almost £60 billion. Given the current level of uncertainty that all of us in the House are all too conscious of, doing more to make it easier for businesses and entrepreneurs with great ideas to get access to the finance they need to expand is clearly hugely important.

The work by Demos also revealed the significant differences in the rates of lending to small and medium-sized enterprises, with rejection rates for bank loans for SMEs highest in Wales, Yorkshire and the Humber, the north-east and the north-west. That suggests there is a strong case if not for regional banks then for putting more effort into securing new types of banking institutions with a stronger reach in those areas in particular. Many community banks, responsible finance banks and so on, which are already in existence, could be scaled up in those areas, but again that would require Government commitment to move in that direction. I gently encourage the Minister to look upon that idea with enthusiasm going forward.
there and back would be required. That is a good instance of where the geography of the area has not been taken into consideration.

When the Port Glasgow branch of RBS closed in 2012, my constituents were told that it was not a problem as they would still have access to the branches in the neighbouring towns of Kilmacolm and Greenock. When RBS took the decision last year to close the Kilmacolm branch, my constituents were told that that was not a problem as they would still have access to the Greenock branch. How long will it be until RBS tells my constituents that it is closing the Greenock branch, but that that is not a problem because there is a branch in Glasgow?

RBS made a promise that they would never close the “last bank in town”, but since 2014 that is precisely what they have done—165 times. Kilmacolm is now one such place without a bank. Instead, it is serviced by a mobile banking van of the kind we might see travelling around rural communities such as Mull or Iona. In January, RBS invited me to Kilmacolm to see how the new system and the mobile banking van worked in practice. I watched constituents lining up on the pavement in the pouring rain waiting to be served. They stood outside in the open, often with large sums of cash in their bags. When customers eventually reached the front of the queue, they had little or no privacy in which to carry out their personal banking. The procedure was even worse for elderly people and those with a disability, since the van’s narrow, steep and slippery stairs restricted accessibility. For example, a person in a wheelchair can expect to be served outside in the open, as it is physically impossible for them to enter the vehicle.

There was anger and frustration among customers using the service. Their most pressing concern was about the security of undertaking their personal banking in this way. The van was set up just metres from the empty shop unit that had once contained the permanent branch, which only compounded the agitation of customers as they stood in the rain waiting to be served. I have since revisited the van several times, and it is obvious that it is not an acceptable substitute for a bank branch permanently based in a community.

Gourock has also been hit by recent bank closures. Earlier this month, the Bank of Scotland closed the only remaining bank in the town. I appreciate that the way people bank is evolving and moving into the digital world—I wrote IT banking systems in a previous life—but it is important that all people within society be catered for, and that is not happening. The Bank of Scotland report into the Gourock branch closure showed that 44% of its customers were aged 55 or over, and undoubtedly some will not have been comfortable with online banking. That figure alone should have been sufficient to keep a branch open as a service to the community.

I know that banks undertake consultations and implement transitional arrangements, but are increased profits an acceptable excuse for providing a reduced service to the community? Perhaps a balance can be found, but I fear that branch closures are already undermining the service required by my constituents. Banks have an obligation to communities and play a key role in local economies. My constituency is fighting a war of attrition against economic stagnation and a declining population. High street bank closures are only making it harder for us to overcome those difficulties.

I shall end with a direct appeal to the major banks. I understand their need to evolve and adapt, but the closures have come too fast and lasted too long. It is time for that to end. I hope that the banks will give serious consideration to the concerns raised in the Chamber today.

3.37 pm

Albert Owen (Ynys Môn) (Lab): I congratulate my hon. Friend the Member for City of Chester (Christian Matheson) and the hon. Members for Wells (James Heappey) and for Ceredigion (Mr Williams) on sponsoring this debate and the Backbench Business Committee on allowing it.

As has been said, the high street banks are the hub of our communities. Not long ago, as my hon. Friend the Member for City of Chester said, they used to boast that they were the local banks. That is not the case for those who live in north-west Wales. As indicated by other Members, Wales has seen one of the largest number of bank closures across the UK. These are the very same banks that the taxpayers of local communities helped to bail out only a few years ago. We took the responsibility, as a nation, to secure the banking system, but all we have seen is closure, closure and closure.

These closures have been implemented by stealth. There is a trend: first, we see a reduction in services—appointments only in centralised branches—and then hours reductions, when already those hours are not what communities want. If someone works from 9 to 5 and has to commute, their bank will not be open when they leave their home or when they return to their local community. The banks have not adopted the flexible working hours that businesses elsewhere have arranged. Then there comes closure. More often than not, when a bank writes to its customers, after deciding to close a branch, it will call it the most difficult decision it has had to make.

No. The difficult decision would be to work with the local community and keep the bank open. Closure is an easy option for many banks. They have been encouraging people to use online services. My local branch still pulls me up and says, “Would you like to use online banking?” That is not encouraging over-the-counter services; it is encouraging people to move away from their local banks. I do not buy what the banks say about the difficulty of closing branches. It is an easy option for them. Many have overheads that they want to reduce to make maximum profit for shareholders, and that is what is behind many of the closures.

I accept that IT services in the finance industries are evolving and that younger people are happy to use an app. As I said in an intervention, I carry my iPad and my cheque book with me wherever I go, but my ability to use those services is limited in rural parts of my constituency where I do not get a signal. Once, the bank got in touch with me to ask whether I had made a certain withdrawal and it took me hours to pick up the message because of the lack of a signal. I went to the branch to discuss it and got excellent service, but quite often people are not given the choice of going into the bank branch.

Banks have been closing in villages in my constituency for decades. Some have been replaced by a hole in the wall in another shop—the Spar or the post office—but the post office closure programme has compounded the problem in many constituencies, with mass closures of
post offices across the country. Although many have extended hours, they are not there to suit small businesses and individuals.

In my constituency, the problem is not limited to villages and areas of low population; it is found in the principal towns as well. The five principal towns on Anglesey have all experienced reductions in banking services. Those services are vital to tourists: they come to the area and want to get money, but the hole in the wall may not be working; or they have an inquiry that they cannot deal with through their local branch. People visiting my constituency and other parts of the UK who want to go in and have a face-to-face talk about their financial circumstances are unable to do so.

The Government here in the UK, the Government in Wales and local authorities across the United Kingdom are working hard to regenerate town centres, yet many of the high street bank branches in principal buildings in those town centres are closed. It is difficult for regeneration schemes to counteract closures on the scale that we have seen. There is no joined-up thinking here. The present Government have rightly talked about how valuable high streets are, but the banking industry is not pulling its weight, even though we, the taxpayers, bailed out some of the banks.

The Holyhead bank branch has reduced hours and people have to go to Llangefni, 15 miles away, for an appointment. Fifteen miles may not sound like a great distance, but people who do not have private transport may have to take two or three buses to get there and make the journey within those reduced hours. Peripheral areas of north Anglesey have been hit hard by bank closures. Again, it is difficult for people to get to alternative branches and they usually have to make an appointment.

Market towns have been built on trade; the banks have played an important part in their development and infrastructure has in part been built around the market and the banks. Such towns have been ignored for too long. I know the banks are private institutions, but they have community responsibilities. They are letting down their customers, in particular those in rural areas.

Other speakers have talked about regulation and the many inquiries that have been set up, but I am making practical points about individuals in the 21st century who want to access services face to face. The social value of banks and financial services in local communities is important. We have heard about elderly people wanting to come in to a branch and talk to someone; let us not ignore them. We have a growing older population in our country and we and the banks need to look after them. The banks have a social responsibility.

This debate is timely and I appreciate that we are having it because it affects each and every constituency. It is time the House of Commons started to tell the banks that they have to be responsible to the communities they serve. Those communities, their customers and the taxpayers helped to bail out the banks when they were in trouble. Communities are now in trouble. We are asking the banks to pull their finger out and act responsibly.

Mr Mark Williams (Ceredigion) (LD): I congratulate the hon. Member for City of Chester (Christian Matheson) on shepherding me and the hon. Member for Ynys Môn (Albert Owen). We agree on most things rural; our constituencies are not dissimilar. I was touched when the hon. Member for Clwyd South (Susan Elan Jones) described that nonsensical hypothesis and the threshold of 15,000 people, and I instantly started to think about my constituency. No community would reach that level, except the town of Aberystwyth and that would be seasonal—it would depend on a lot of students. I say that to illustrate the challenge of rurality.

The debate has been very good. We have heard about the cities and what I call semi-rural constituencies. I am going to talk about my constituency, which is particularly rural. It is 1,795 sq km, it has 147 villages and hamlets and 700 family farms—one large community. The hon. Member for Wells described Glastonbury, without the 200,000 visitors, as a smallish town with 10,000 people. A town of 10,000 people in my constituency would be a metropolis. The scenario is very different, but the people there have the same entitlements and same needs and they are still being let down by the attitude and practices of the commercial banks. That has been the message in almost every contribution that has been made.

In 2011 I spoke in a debate in this place about bank closures. The number of branches had halved, from 20,000 in 1988 to about 9,300 then, and that figure has dropped further since. We can have a debate about the reliability of statistics. That is perhaps something on which the banks themselves should reflect, but the University of Nottingham report—the right hon. Member for Tottenham (Mr Lammy) alluded to this—said that “the rate of closure has slowed more recently” and that seems to be the case only because of “the much reduced stock of branches”.

Hardly a positive sign.

The decline is certainly not abating in rural areas. Over the past year, more than 600 bank branches have closed and now 1,200 communities have lost all their banks, putting our high streets and market towns in jeopardy. That is something the banks said would not happen—they said the last bank in the town would stay one way or another.

None of us can deny that there has been a shift in how many people access banking services. For many, that has led to more options and more flexibility from mobile and online banking. According to the British Bankers Association, mobile banking apps have become the No. 1 way that people bank, with 22 million downloads of banking apps, and that is forecast to increase hugely over the next few years. Like the hon. Member for Ynys Môn, I have a cheque book. I will keep it going as long as I can, or as long as the banks allow me.

Many businesses will bank either through call centres or distance banking relationship managers. I always think the description “relationship manager” is slightly inconsistent. The notion is that constituents of mine in west Wales will have a relationship manager in Swansea or Bristol—look at a map; it is a long way away. There is a disconnect between them and as a result local businesses suffer and sometimes the advice that is given can be problematic. The requirement is for local managers who understand the business in the...
area. That is hugely important and can make a huge difference to the small and medium-sized businesses that they are there to serve.

The issue of broadband and mobile coverage is hugely important. My constituency is in the bottom 10 in the UK in terms of broadband speeds and actual coverage. Next Wednesday, I will have a debate in Westminster Hall for those who are interested in that matter in a Welsh context. That is hugely significant for the debate we are having as is the issue of physical access to a bank. I live six miles from the great metropolis of Aberystwyth. I have the luxury of a car; I own one. I have the luxury of a train and a bus.

Chris Evans (Islwyn) (Lab/Co-op): Stop bragging.

Mr Williams: I do not own the bus or the train, I hasten to add. I have that luxury, but most of my constituency does not.

Two weeks ago, HSBC notified me—it sent me a letter—rather than consulted me of the fact that the Aberaeron HSBC would be shutting in September. They did not ask my opinion beforehand when they came to see me and the local councillor, Elizabeth Evans, to discuss the branch closure. This is a significant community and a tourist community—not on the scale of Glastonbury, but a significant community on the west Wales coastline. Local businesses need the bank—it is essential—in order to cash their takings. The closure is simply another nail in the coffin for that vibrant community.

In respect of the protocol, this is an instance of putting the cart before the horse. We were told that arrangements would be put in place before the closures happened, but we left that meeting still very unsure about whether the town of Aberaeron would have any cashpoint provision. In case HSBC is listening, if it is still intent on moving the bank to a local store there is a challenge: the pressure is on to provide us with at least a cashpoint machine in the town.

There have been two cashpoints in Aberaeron in the past. The hon. Member for Clwyd South mentioned the railway in her community. People can arrive there anticipating their railway trip for the weekend and find that they have no money and no means of accessing money. That happened in Aberaeron when the two cashpoints dried up. Visitors as well as locals found that they had no access to money in that community, raising the spectre of a long drive elsewhere.

With the continuing loss of bank branches, the importance of post offices has grown substantially, with more post office branches now providing banking facilities. We are told that 99% of the population live within three miles of a post office branch, with over 11,500 branches nationwide. All of those branches handle automated transactions, offering “cash-in and cash-out” banking services. Although the services provided by the Post Office are welcome and the initiator of this great idea should be commended—it is important and is providing more than a stop-gap—by the Post Office’s own admission, post office branches

“cannot offer the high value, complex and regulated financial services previously offered to the bank’s customers.”

Where can a customer receive financial advice or take out a loan in an area that has no local bank branches and a post office branch is the only access to banking?

These are things that neither post office branches nor internet banking services can provide in the way that I think is still required—in a personalised and focused manner.

One of the successes of the previous Government was that the post office network was retained after years of decline, with a commitment to keep 11,500 post offices. However, that has not necessarily stopped closure. What has happened is that the word “closure” has been replaced with the idea of “movement to somewhere else”. If high street bank branches close and post offices follow, rural communities will be hardest hit. With relatively limited public transport making it harder to travel far and with rural areas having the weakest broadband speeds, our rural population is being financially left behind. As we have heard, there are age and demographic issues because not all people are capable of accessing the internet even if it is available.

When banks move into post offices and post offices move into shops, we need to recognise that those places were not designed with bank transactions in mind. There is considerable concern about privacy and security, which will be particularly off-putting for local businesses and elderly residents who rely on face-to-face transactions. Another positive move was the access to banking protocol, but I can only concur with the eloquent and passionate remarks of the right hon. Member for Tottenham on that issue. The protocol was good as far as it went, but it did not go far enough. It has not been monitored and I think it has been breached. I look forward to the review when it happens. When the protocol was announced, my former colleague, Vince Cable, said that

“banks have a duty to ensure that all their users and especially vulnerable customers, small businesses and those in rural communities can continue to access over the counter banking services.”

That is extremely important, and we look to the Minister for reassurance that a renewed protocol to address those concerns will be robust and will be enacted.

As well as the Aberaeron branch, we have lost a number of others. The roll call is significant. We have lost banks in Llandysul, New Quay and Tregaron. Tregaron is a particularly notable example, because following the closure of the Barclays branch there, customers face a 22-mile round trip to the nearest branch in Lampeter. It is not good enough for a bank to put a poster in a window, or on a boarded-up window, telling people that their nearest branch is X miles away. That closure has hampered local businesses, and local residents have felt the loss of face-to-face services. New Quay/Cei Newydd, in my constituency, has lost its last branch, although the town has a huge population in the summer because of all the visitors.

I could go on, but I will not do so. Others want to speak, and we want to hear from the Front Benches, including, of course, the Minister. Let me end by saying that rural communities are going through very challenging times. There is a characterisation of the high street in a small market town, involving banks, post offices, shops and readily available public transport—but that stop and take people to their destinations. I do not want to be a Luddite; I do not condemn the march towards a digital economy, with services that can be accessed online and business that can be conducted by means of a call centre rather than face to face; but there is a universality in that, which does not currently apply to all rural areas. Perhaps it will in the future, given
technological advances. Perhaps we will all be content to sit in our homes, not talking to each other and playing on computers. But we are not there yet.

Rural areas are being left behind. Broadband, and broadband speeds, are not equitable across the country. A generation of people, and certain businesses, depend and rely on physical banking. I sincerely hope that, if the way forward is the access to banking protocol review, the realities of rurality—the reality of the 20% of us who live in rural areas—will be considered.

The hon. Member for Wells ended his speech by using the phrase “fair play”. In Welsh the phrase is “Chwarae Teg”, and we demand that too.

3.57 pm

George Kerevan (East Lothian) (SNP): I thank the hon. Member for City of Chester (Christian Matheson) for securing the debate. I believe there is evidence of banking in Chester as far back as 355 BC, when I assume the service was better than it is now.

There is the how of bank branch closures and then there is the why; let me, very briefly, say something about the how. As every Member has pointed out—I can attest to this in my own constituency—there is a gross lack of proper consultation, to the point of arrogance on the part of the banks. My own example from East Lothian is the town of Prestonpans. My population base in East Lothian is expanding, and Prestonpans is a growing town that will soon contain 10,000 people. However, RBS is about to close the last branch of the last bank in the town. RBS has form. In 2010, it promised that if a branch was the last bank in town, it would not close that branch. In the past two years, 165 “last in town” branches run by RBS in Scotland and the north of England have closed, so that promise has gone by the board.

The lack of consultation is terrible. I found out about the Prestonpans closure by reading about it in the newspaper. Under the bank protocol, all stakeholders are supposed to be approached, but they are not. That contrasts dramatically with the example of Openreach. Yesterday a number of Members, some of whom are in the Chamber today, had a meeting with its chief executive, Clive Selley. We can make numerous complaints about Openreach and access to broadband, but at least the chief executive of Openreach will sit down with MPs and talk about the situation in individual villages containing only 50 people. Is it possible to get the chief executives of banks to talk to us directly? No, and that is particularly true of RBS. I commend the campaign to reverse the position that has been conducted by the whole community of Prestonpans, by me, by the local Member of the Scottish Parliament and by local councillors. We are still waiting to have a discussion with Mr Ross McEwan. We are not going to give up until he sits down and talks to us.

There is a solution, which I commend to the Minister. The Financial Conduct Authority has a responsibility because it oversees bank conduct on behalf of the consumer. The banks are reassessing the BBA protocol on bank closure, which has been discussed several times in Members’ contributions. The protocol is as weak as dishwater, but even that is not being adhered to. It is time for the FCA to step in and hold discussions with the BBA in the course of a re-evaluation of the protocol, and whatever comes out of that, the authority should be prepared to step in and enforce the protocol, rather than having it as something that is simply non-statutory and ignored by the banks.

Why the closures? Of course technology and market demands are changing, but we must not let the banks off over this. We have the most centralised, monopolised retail banking system in the western world. It has made a fortune over the past 20 or 30 years. That banking system grew by mergers, and as the banks grew and merged, they did not modernise and integrate their IT services, which is why every major bank has a whole legacy of computing systems that are all incompatible and falling apart, meaning that their cost base is huge. What are they doing about it? They are closing branches, firing staff and squeezing customer services in order to get the money to resolve something they should have invested in over the past 20 or 30 years. Do not tell me that this is a wonderful move by the banks and that they are closing branches because we are all moving to use the internet. This is the banks trying to find money to address a problem they should have dealt with earlier.

I will give one specific example involving RBS. It has been told to sell off 300 branches of Williams & Glyn, but it has suddenly discovered that the Williams & Glyn computer system is so dreadful that it will not be able to make the sale. RBS has now spent at least £1.2 billion—I suspect the true figure is about £1.5 billion and rising—to put a new IT system into Williams & Glyn so that it can be sold. As RBS is so strapped for cash, it has to make new savings this year of £800 million to help fund the new IT system for Williams & Glyn. The bank in Prestonpans and all the other RBS branches that are affected are being closed not because of the wonderful new nirvana of us all moving to internet banking, but because, yet again, bad management has led to a need to squeeze costs to deal with a problem that should have been solved before. We should not let the bank off the hook.

We need some solutions. Why not have a universal banking obligation? After all, the Government have agreed to a universal broadband obligation, which helps rural areas in particular—such places are also where the bank branches are closing—so why not have a universal banking obligation? It could be linked to particular licences for the big retail banks, particularly for more complex products. It could also be linked to particular rural areas. We need a degree of regulation because otherwise the banks will just laugh at us.

We need to expand the market for local banking services, especially for SMEs. The new bank capital regulations mean that banks have to keep quality assets that they can realise if they ever have to resolve a liquidity problem, but the Bank of England and the Prudential Regulation Authority have rather left it up to the big banks to model their own capital asset requirements and the quality of their assets. The big banks do that by deeming small business loans as some of their most risky assets. Therefore, they have to lay aside a lot of capital if they want to expand SME loans, but they do not want to do that, so SME loans are not expanding.

The Bank of England and the PRA should step in because all the evidence shows that small business loans are, in the main, very safe. At the tail end, there is
perhaps a high risk, but most of those loans are secure. The banks are again using their interpretation of regulations to undermine what we all want, which is more lending to SMEs. If the Bank of England and the PRA intervene and force the big banks to change their assessment of their risk-weighted assets, we would get more SME lending. We would also get smaller challenger banks coming into the market and setting up in our smaller towns precisely to get that SME business. We should not let the banks get away with the notion that this is all inevitable.

Finally, I want to give this message to Mr Ross McEwan: myself and the people of Prestonpans are ready to meet you at any time.

4.5 pm

Chris Evans (Islwyn) (Lab/Co-op): It is a pleasure to follow the hon. Member for East Lothian (George Kerevan). I hope that Mr Ross McEwan meets him really soon because I can see the hon. Gentleman’s passion on this issue. I pay tribute to my hon. Friend the Member for City of Chester (Christian Matheson). I know how deeply he feels about this issue and how he has been campaigning for this debate through the Backbench Business Committee. I am pleased that his campaigning has come to fruition. It would be remiss of me not to mention the hon. Member for Wells (James Heappey).

We found out today that the hon. Member for Ceredigion (Mr Williams) is lucky enough to have access to a train, a bus and a car. He represents a beautiful part of Wales and I always like hearing him talk about places in his constituency because that reminds me of my childhood holidays and good memories come flooding back. I also pay tribute to my hon. Friend the Member for Ynys Môn (Albert Owen), who has again shown his passion and devotion to his island constituency. His fantastic speech was one of the best that we have heard in the Chamber for a long time and I thank him for it. It would also be remiss of me not to mention another Welsh colleague, my hon. Friend the Member for Clwyd West—

Susan Elan Jones: Clwyd South.

Chris Evans: I promised my hon. Friend before I stood up to speak that I would not say “Clwyd West”, but I knew I would get it wrong. My hon. Friend the Member for Clwyd South (Susan Elan Jones) has been a good friend for a number of years. Like my hon. Friend the Member for Ynys Môn, she cares about these issues. I thank her for her passion and for the strength that she has shown, especially this week, given the difficult circumstances.

Sadly, the debate has come at a bad time for me. Only last night I received the terrible news that yet another bank—Lloyds in Newbridge, a town in my constituency—is to close in October. That follows the closure earlier this month of HSBC in Risca, another town in my constituency. Sadly, such closures are not unique to my constituency. They are widespread throughout the whole country, and some sections of society are experiencing a considerable loss. The BBC reported in May that between April 2015 and April 2016, more than 600 bank branches were closed across the UK. More have closed since, including that HSBC branch in Risca, and soon there will be that closure in Newbridge and others across south-east Wales.

Local residents are being given the usual reason by their bank, namely that more customers are turning towards online banking and footfall at branches is falling. It is hard to deny that online and telephone banking are on the rise. Although I use bank branches from time to time, my own daily banking needs are usually met over the phone or through an app. This trend is underlined by Barclays, which says that on average its customers use mobile banking more than 28 times a month, but visit their local branch less than twice in that time. The banks say that it therefore makes commercial sense to close branches that are expensive and not being utilised enough to justify their cost. When I worked in banking in the early part of the 21st century, I noticed that footfall was going down, but the banks were not really very nice places because we would have a customer’s arm up behind their back trying to sell them as much as we could as soon as they walked through the door.

If we look only at statistics and reduce customers to numbers on a graph or spreadsheet, saying that they are only one of a minority who do not use online or telephone banking, we ignore the cost and the burden that closures place on the individuals who are left out. When we dig a little deeper to see who exactly loses out the most from the closure of a bank branch, it is almost always the most vulnerable in the community. I have spoken in the House about the perils of payday lending, legal loan sharks and doorstep lenders. If someone needs a loan, they will trust the person at the door if there is no bank at the end of the road to meet their borrowing needs. That is the danger. When a bank closes a branch, that person, who is usually unbanked, becomes even more vulnerable than they already are.

I have to make an example of HSBC and the branch closure in Risca. When I launched an online petition, which was signed by hundreds of residents, some of the comments truly summed up the problem with branch closures. One constituent said:

“My parents use this bank. If this branch closes they will not have a branch within a 5-mile radius. The nearest branch will be at least 30 minutes away by bus. Both of them are in their 70s and cannot use internet banking as they have no internet connection nor computer. They are hard of hearing, so telephone banking is also out of the question. How are customers like them supposed to deal with any issues if they cannot speak to someone face to face?”

HSBC’s closure of Risca’s branch was bungled, and the same goes for branches all over the country. The first I heard about it was in an email on a Friday night. I was told, “Do not say anything, because we have not told the customers or the businesses. Keep it to yourself.” I wrote to the bank and asked for an exact closure date and when it was going to be announced, but I was met with silence. It was only when I put it in the press and set up the petition that HSBC wanted to talk to me. Even then, it was like pulling teeth.

I asked to speak to the chief executive—like the hon. Member for East Lothian did with RBS—and I was given a regional director who popped by in Risca for the day. Guess what I found when I walked into the HSBC? Did I find a branch on its last legs? Did I find a lack of staff? No, people were queuing out the door to use the services. The average age of the people was 70s or 80s and they were complaining that the branch was
going to close, yet the representative was in the office telling me that no one was using the service. Who am I supposed to believe?

Another thing that I have to say about HSBC is that when it did finally put out a press release, it told me that footfall had dropped by 70% in Risca. That was very good, and I accept that, but when branches were closed in the constituency of my hon. Friend the Member for Rhondda (Chris Bryant) in Porth and Tonypandy and in the constituency of my hon. Friend the Member for Ogmore (Chris Elmore), the bank said exactly the same thing: footfall had fallen 70% as well. I am sorry, but I do not believe that figure.

James Heappey: The hon. Gentleman makes an excellent point. The difficulty is the ambiguity over the definition of “regular users” that the banks try to use in their impact statements. I am not absolutely sure what it is, even though I spent some time researching for today. There needs to be a clear definition of what a regular user is so that the number in an impact statement can be interrogated.

Chris Evans: I totally agree. When I go to a bank that is about to close, I want to know the exact figure. I want to know what the footfall is even if that means just clicking the numbers as people walk through the door. At least then there would be some raw data that could be used to justify a branch being closed.

There is also a social impact. Risca once had several banks and building societies, including branches of Lloyds, HSBC and Barclays. Lloyds and HSBC have now closed, leaving the town with one remaining bank, which is fortuitous because people still have the option of moving to Barclays if they want to continue to bank locally. What happens if, as in so many communities up and down the country, Risca or Newbridge lose their last remaining bank as the long trend of bank branch closures continues, as predicted by fintech companies?

I say to my hon. Friends the Members for Ynys Môn and for Clwyd South and the hon. Member for Ceredigion that I am lucky in Islwyn because we have good transport links. We have a trunk road that goes right through the constituency, the bus service is good, and there is a new train service. People can get from town to town. However, Ceredigion, which is a huge constituency that I know quite well, Anglesey and Clwyd South all have country lanes and one-track roads. How can people get from one branch to another? It is a major outing for many people.

Before a bank closes, it is imperative that a full assessment is carried out of the impact that the closure will have on the local community and that local stakeholders are consulted. Steps have been taken. In March 2015, banks published their access to banking protocol, which laid out their commitment to ensure financial inclusion and to undertake an impact assessment through community engagement when a branch closure was planned. I looked forward to the publication of the independent review led by Professor Russel Griggs of how banks have implemented the protocol. In my anecdotal experience, however, they have not. They have been found absolutely wanting.

It is very clear that some banks provide a better service than others. For example, I compare the closure of Barclays in Newbridge with the way that HSBC was closed in Risca. When I see something good, I say so. The way that Barclays managed that closure was far better than what happened at Risca. Barclays had the raw data, there was a point of contact, it spoke to all the customers, and I pay tribute to its community relations manager, Jonathan Brenchley, who was fantastic all the way through that process. The great thing about him is that if customers have a problem, they can pick up the phone to him and he will deal with it. It is an example that many other banks should look into.

In May 2013 Barclays launched its Digital Eagles programme, which is designed to support and educate customers to help them feel comfortable with using digital channels not only for their banking, but in all aspects of their lives. So far it has trained over 16,000 Digital Eagles across the country and has held 5,200 learning sessions. The expansion of such programmes among other banks would be a very important step towards ensuring that nobody was left behind as banking changes.

However, switching to online or telephone banking alone will not be enough to ensure that nobody is badly affected by branch closures. The parents of my constituent, who have no computer or internet, should not be expected to buy a computer, and their hearing problems make telephone banking an obstacle. If they are to keep their independence as more bank branches close, banks must move towards a model whereby the bank will go to the customer if the customer cannot get to the bank physically, digitally or otherwise.

I pay tribute to NatWest for its service, which is akin to a mobile library. Its van turns up once a week in hard-to-reach communities so that people can do their banking there. A promising solution might be a vast expansion of mobile banks which, although they are not perfect, could at least dampen the impact of bank closures. Customers who seek the kind of banking and financial advice they would otherwise receive at a branch should have the option to request one-to-one meetings with bank staff, either at home or in a nearby public space, such as a library.

It is important to remember that among the biggest customers of local bank branches are small businesses, with regular trips to their local branches to make deposits. The closure of branches means that they have to go further and further and waste precious time when they could be chasing sales and business. If time is money, they are certainly losing out. As in the case of personal banking, I believe banks must change their approach so that they are the ones to come to the customer. In January 2016 Barclays introduced a Barclays Collect service, which will travel directly to business and corporate customers to collect deposits directly from their door. I welcome that news. Barclays plans to roll out the scheme more widely next month. I hope the scheme is successful and that other banks follow suit.

We have to consider other options, and credit unions must be part of the mix. Earlier my hon. Friend the Member for Harrow West (Mr Thomas) said that in the new banking world credit unions must play a role. They will bring people to banking. I know that the Minister has been a champion of credit unions in the past. They bring people to banking, but very often they are the victims of their own success. Because they are voluntary
organisations, when they get huge they get even more difficult to manage, as people do not have the necessary skills and experience.

Credit unions do not know where to go as they get bigger. I think building societies have a role and should offer back-up to credit unions, as should post office credit unions. There is much work to be done in credit unions, but there needs to be a next step for them, such as the opportunity to become a community bank, a post office-style credit union, or even a building society. I urge the Minister to look into this. Legislation is needed to enable huge credit unions run by voluntary staff to become the new banks or smaller community banks or building societies. I hope she and her officials will give some thought to that.

We need to start thinking about the social impact when a bank closes. The premises usually remain vacant or become a pub, for example, which is a waste.

Mike Wood (Dudley South) (Con): In my constituency, rather like in the hon. Gentleman’s, Lloyds Banking Group announced two further bank closures yesterday. He is speaking movingly about the impact of bank closures on our communities, but that impact also extends to the staff. Does he agree that banks need to do far more to redeploy staff, and, where redeployment cannot take place, to make sure that retraining and support are in place so that staff are treated fairly?

Chris Evans: As a former employee of Lloyds TSB, as it was in those days, I have every sympathy with any member of a bank’s staff who is made redundant.

To go back to my earlier point, I hope the Minister will think about a piece of social legislation that says that banks should offer members of staff to credit unions, to give those organisations the expertise and professionalism they need to manage once they get bigger. There is a real space there for some action.

Banking is changing, but banks have to change with the times; they have to reach out to the customer and to find new ways of delivering their services. I come from a banking background, and I know that things are not perfect, but today’s debate has given me hope that all of us in the House want the best deal we can get for our constituents and for the customers of banks.

4.21 pm

Gavin Newlands (Paisley and Renfrewshire North) (SNP): I am delighted to take part in today’s debate on bank branch closures, because the first campaign I got involved with as the new MP for Paisley and Renfrewshire North was an attempt to stop the closure of a much used local bank. I thank the hon. Member who secured the debate, and I thank the Backbench Business Committee for scheduling it.

The campaign I mentioned was initiated when we heard that the Bank of Scotland branch on Glasgow Road in Paisley was being closed, meaning that customers would be forced to use internet banking or to travel to the nearest bank, which was in the town centre. Not only was the bank used by local businesses on Glasgow Road, but, much more importantly, it provided a vital service for the residents of Ralston and Whitehaugh, the majority of whom are of pensionable age—unlike one famous resident, my hon. Friend the Member for Paisley and Renfrewshire South (Mhairi Black), who is significantly younger. The decision caused a lot of anger and concern in the local community, and I am sure I am not the only Member who has been frustrated when a bank has offered solutions such as using online banking or travelling often significant distances to access branch services.

Following the decision to close the branch, I met bank bosses in London and in my constituency, where I organised representatives of local residents associations and community councils, as well as the local MSP, to come and put their case to the bank. However, we were left incredibly frustrated when it would not respond to or accept the case that was made about the difficulties of online banking. When I spoke to constituents affected by the decision, I heard at first hand that many customers do not have the knowledge or hardware to use online banking. These decisions disproportionately affect the elderly and those with mobility problems, but banks never fully take that into account when making these decisions.

I also represent Bridge of Weir, a rural area that faces the closure of its local bank. If the bank does close, that will have a huge impact on residents. Not only is the village poorly served by public transport, but online banking is even less of a viable option owing to the poor broadband service in the village. Access to an effective broadband service is surely a must if banks are to cite online banking as an alternative to local branch services.

All too often, however, banks are closed in rural villages that have a poor broadband service, something alluded to by the hon. Member for Brecon and Radnorshire (Chris Davies).

I am pleased to say that Bridge of Weir, along with Houston, Crosslee and Craigends, recently finished in the top 10 of Virgin Media’s Supercharging Local Communities initiative, meaning that Virgin’s network will be extended to those communities in the next year or so. However, the bank’s decision was made before the Virgin announcement.

The UK Government have a poor record on broadband roll-out. By contrast, the Scottish Government have invested £400 million to deliver superfast broadband to 95% of properties across Scotland by the end of next year. In addition, the SNP Scottish Government were recently elected on a manifesto pledge to ensure that 100% of premises have access to superfast broadband by 2021. If the UK Government are committed to helping more people to access online banking, I would encourage them to follow in the footsteps of the Scottish Government and to be more proactive in rolling out superfast broadband.

Any impact or equality assessment completed following a decision to close a local bank would surely highlight the negative consequences for particular groups. That is why I get so frustrated and angry when a decision is made to close a branch that is providing a vital service to a local community. Putting to one side the support that the taxpayer has provided to these banks, they have a responsibility towards our communities and we should not allow them to make reckless decisions that will have a negative impact on particular sections of our communities. We were unsuccessful in persuading the Bank of Scotland to reverse a decision to close the Glasgow branch. This obviously disappointed the local community, but we are aware that our campaign is only one example, as many other local communities from
across the UK attempt, often in vain, to prevent banks from being closed in their areas.

The truth of the matter is that local banks closing is not a new thing—it is not a process that began following the 2008 global financial crisis. The bank branch network has been declining for the past 30 years. In 1988, there were over 20,000 branches in local communities across the UK; by 2012, this number had fallen by 57% and we had only 8,800 branches serving our local areas. Worriedly, in many of these cases it is the last bank in a town or village that is being closed down. In the first three quarters of 2015, UK banks closed 650 branches, of which 177 were the last bank in town. This is entirely unacceptable. Unfortunately, all the major banks are guilty of letting their customers down on this issue.

One of the aspects that I find most distressing about the closures I spoke of—I know this frustration is shared by many hon. Members—is the fact that the decision to close was made without prior consultation. The banking industry has to start listening to its customers. It is not good enough for the big banks to make a decision and then be dragged to a table and forced to consult the local community in what is ultimately a charade. The big banks should open up dialogue at the very first stage and allow the community to engage in the process before any such decision has been reached.

Local banks are vital to local people and affect each and every one of us. We all take our roles as constituency MPs extremely seriously, and I am sure that we would all support local groups who are campaigning against a bank closure. The wave of bank closures affecting communities across the country is an issue that should unite the House. The consequences for communities following a bank closure are clear. The number of banks being closed is growing by the month, and the Government should be concerned about this. The UK has only a third as many bank branches per person as other European countries. This disappointing—or shameful—comparison should encourage the UK Government to take action, and to do so soon, before it is too late. I am very concerned that village and rural economies will be severely affected by a lack of local banking options, and that as a result of bank branch closures, businesses are more likely to close, a regeneration agenda is much more unlikely, and start-up finance for local businesses becomes more difficult to obtain.

Communities rely on their local bank branches. They are just as important as local doctors, dentists, and supermarkets. They are vital for constituents who live in urban areas and a lifeline for those who live in more rural settings. We have to protect our local banking services. We must ask the banks to think again and reverse their closure programme. If they will not, I would ask the Government to use their considerable influence to intervene to ensure that no more towns and villages are left without a bank.

4.28 pm

Kirsten Oswald (East Renfrewshire) (SNP): I congratulate the hon. Members for City of Chester (Christian Matheson), for Wells (James Heappey) and for Ceredigion (Mr Williams) on securing this debate via the Backbench Business Committee. Like many speakers in the debate, my constituency is currently experiencing a new wave of bank closures.

Fortunately, none of the three closures proposed in East Renfrewshire is the last bank in a town or village; unfortunately, that is because such closures have already happened in the villages of Neilston and Eaglesham. However, these closures will make yet another area reliant on just one branch, covering a large residential area, and providing access to the services of only one banking group. Regrettably, once again, the publicly owned RBS is leading the way in closures, on this occasion proposing the closure of branches in Barrhead and Netherlee.

The wave of closures described by the hon. Member for Wells continues the process of concentrating branches in close proximity to each other, leaving large swathes of our urban areas, and many of our most rural communities, without direct access to a bank network—a concern highlighted by the hon. Members for Ynys Môn (Albert Owen) and for Ceredigion. Even the British Bankers Association recognises that the most digitally savvy customer sometimes needs access to a branch for specific types of transactions, but such access is becoming very difficult for many.

There has been a long-running debate, and a useful discussion today, about how best to ensure access to banking services, including the possibility of enforced or encouraged sharing of branches. The industry has resisted that, arguing that we should rely on competition, with the market rewarding banks that provide a good branch network. I share the dismay of the right hon. Member for Tottenham (Mr Lammy) at the utter failure of RBS to honour its promise never to close the last bank in town. That certainly demonstrates the limits of this approach. What are we to do when a clear statement of intent is revealed as nothing more than a cynical marketing slogan?

The sector’s reliance on digital technology is understandable, and the number of customers who have downloaded a banking app is impressive, but what if someone lives in one of those areas where access to broadband is still difficult or the mobile network is stuck in the 1990s? Many Members are concerned about that, and my hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands) and the hon. Member for Wells spoke eloquently about it. Are we really going to stick to the position of having no regulatory influence to ensure that those businesses benefit from participation in the banking sector? We need to ensure that banking truly is accessible.

Even with the technological limitations of the time, the financial sector managed for many years to deliver accessible services, with a wide range of institutions, including building societies, savings banks and credit unions, such as the excellent East Renfrewshire credit union, emerging to spread financial services to all sectors of society. It is simply not acceptable, given our much more advanced technology, that we are leaving people behind and unable to make full use of the services that the rest of us enjoy.

The industry boasts of its investment in branch networks. However, the notice of a proposed TSB closure highlights £250 million of investment in branches and the digital offering. I wonder how much of that was invested in reshaping the branch network rather than in consulting bank users. We need to challenge the industry over whether it is doing enough to listen, to reflect the
change in services and to use new technology to reshape its network. I echo the concerns of my hon. Friends the Members for East Lothian (George Kerevan) and for Paisley and Renfrewshire North about the failures of consultation on bank closures.

My perception is of an industry with many branches that continue to operate from traditional, large, solid buildings, designed when banks processed large volumes of cash and paper. Too often, it seems that the industry views the only alternative as shutting up shop and withdrawing services to a similar building a few miles away. The hon. Member for City of Chester made a valuable point about the impact on local high streets and small businesses. The tale told by my hon. Friend the Member for Inverclyde (Ronnie Cowan) about the mobile bank is testament to a lack of interest in community need.

The British Banking Association talks of investment in refurbishing the network, but I see no reference to the four big banks investing in new locations for services in the community, either by downsizing branches instead of complete withdrawal, or by creating new branches. We are used to seeing the banks spend vast sums of money on corporate headquarters in London, Edinburgh and elsewhere, but are we really seeing investment to ensure that there is a modern branch network?

Like the hon. Member for Ceredigion, I am pleased to see banks working with post offices to provide coverage in areas from which they have withdrawn. As we have heard, however, the post office service is not a full substitute, with lack of privacy a particular issue. The apparent willingness to share services with the post office gives rise to questions about the industry’s failure to reach agreement on shared branches. Is that really such an insurmountable obstacle, or is the banking industry simply stuck in old ways?

Members may recall the talk of challenger banks helping to tackle the problem of access to branch banking. That seems to have amounted to little, with most challenger banks opting for specialist markets or, as in the case of Metro bank, with branches in only a small part of the country. There is a branch of Virgin Money in my constituency, in a location it inherited from Northern Rock. Given that it is in one of the best-served communities for banking services, it adds little to the spread of banking availability.

There are currently four branches of TSB in my constituency, one of which is proposed for closure. Some talk of TSB as a challenger bank, but the hon. Member for Harrow West (Mr Thomas) has noted that communities came together on a mutual basis to ensure that they could access banking services, and it was those communities that built up the original TSB network. The dismantling of that success story under the Thatcher Government was a result of an obsession with the market and contempt for co-operative and mutual effort.

I welcome the continued operation of the Airdrie Savings bank, which resisted the Conservative Government, stuck by its founding principles and continues to serve the community it has served for nearly 200 years. The next time Conservative Members are tempted by the view that the market is the solution to all problems, they may remember how well placed the Airdrie Savings bank is and think again. Having listened to him today, I am certain that the hon. Member for Wells (James Heappey) and for Ceredigion (Mr Williams) on securing it.

Much of the debate has been about an issue that the hon. Member for Brecon and Radnorshire (Chris Davies) raised: the importance of the branch network to older people and those who are, perhaps as a result of disability, unable to use digital services. Hon. Members have described how such individuals are disadvantaged by the withdrawal of a personal service. As my hon. Friend the Member for Rutherford and Hamilton West (Margaret Ferrier) described, such a service can be particularly important in dealing with the unscrupulous individuals who attempt banking scams on a daily basis.

One of my constituents, a lady in her 90s, was recently targeted in a telephone scam that involved her branch. A caller persuaded her that her branch was being investigated and she should move her money, so she visited her branch and moved money to an account number that she was given by the caller. When he got greedy and called back asking her to move more money, the branch staff, to their credit, realised that something was wrong and persuaded her to allow them to alert the police. In such a case, even if the money is recovered, the customer will have been put through torture for weeks waiting to see what the outcome will be.

That demonstrates the importance of a branch network and well trained and motivated staff who look out for their customers. That is what people would call real customer service from a bank. Surely, by now, we must realise that the “greed is good” approach to banking that has taken root in the UK is damaging. It damages our economy, as the crash of 2008 clearly demonstrated. As the hon. Member for Clwyd South (Susan Elan Jones) so eloquently said, it also damages our communities as more and more people lose access to a real banking service in return for the use of ATMs or an over-the-counter-only service at the post office.

The bank branch network still receives almost 300 million visitors a year, and it provides a vital service. Is it not time banks thought again about how they can build on those visits and encourage more visits, particularly by those who need the most help to manage their money? The big four banks seem to be entirely focused on managing the decline of the bank network. A study by the University of Nottingham highlighted an issue that the right hon. Member for Tottenham raised about the damaging effects of that on communities. The report stated:

“As mainstream financial institutions continue to pull out of economically distressed areas as part of wider strategies of adjustment, so they are replaced by more predatory forms of financial institution.”

If the banks will not address all these issues on their own, the Government must take action to avoid the abandonment of our communities. I look forward to the Minister outlining exactly what the Government’s plans are to defend the bank network from further decline.

4.37 pm

John McDonnell (Hayes and Harlington) (Lab): I have taken a personal interest in the closure of banks over the years, so I thank the Backbench Business Committee for allocating time for this debate. I also congratulate my hon. Friend the Member for City of Chester (Christian Matheson) and the hon. Members for Wells (James Heappey) and for Ceredigion (Mr Williams) on securing it.
The closure of bank branches and the accessibility of banking are issues of cross-party concern, because local banks play a vital role in our communities, both in large cities and in rural areas. This is a question of access to banking and financial inclusion. Bank branch closures inevitably cut that access and cause financial exclusion. As constituency MPs, we want to know that in our local communities, individuals and businesses can access the personal finance or business banking services that they require. From today’s exceedingly interesting debate, we have discovered that people and businesses increasingly cannot access those services.

My hon. Friend the Member for City of Chester explained that banking is changing—the use of apps and so on can be more convenient—but that the closures are restricting access to banking facilities for individuals and communities. He emphasised that, as the Reuters report states, these closures are hitting hard in low-income areas, and that the cutting is going too fast and too far. I agree with him, and I welcome his creative proposal for local banking hubs. He has thrown down the gauntlet for a pilot in his constituency, as have other hon. Friends: they are clearly bidding for the process. That is a creative way forward. I agree that until banks respond in some way, they should stop advertising themselves as some sort of local friend.

The hon. Member for Wells made an interesting speech. May I ask him to pass on my congratulations to the residents of Glastonbury on their creative demonstration of the black horse funeral? I thought that it was an extremely effective way of highlighting what has happened in the area, whether it affects the sale of crystals, joss sticks or anything else.

It was very helpful that the hon. Gentleman raised the issue of the protocols not actually working or doing what they are supposed to do. It would be interesting to look at Congress’s Community Reinvestment Act because it includes the safety net that many hon. Members have suggested as a possible future solution. He emphasised the issue for small businesses, and highlighted the work done by one of the most effective lobbying organisations in this country, the Federation of Small Businesses. I have to say that I agree with him that if there is a transfer of services to the post office, banks must surrender full functionality if post offices are to be effective. As he said, it is a case of “Either stay or go, but pass on that facility.”

Understandably, my right hon. Friend the Member for Tottenham (Mr Lammy) is not in his place at the moment. I know that he is busy on other matters—as are many others. He highlighted the fact that even the bank he bought his first suit to get a job in has been closed. Interestingly, he emphasised the situation in his constituency, where the riots took place. I know the sterling work he has done to try to regenerate the high street and get businesses and shops back to the area—only to have some of that work undermined by the closure of the local bank. He also emphasised the issue of how footfall is calculated, which was highlighted by several hon. Members.

The hon. Member for Brecon and Radnorshire (Chris Davies) emphasised this issue with regard to rural services, and identified the fact that mobile services can prove effective as a solution in some areas. He also drew attention to what happens, as many of us have experienced, when a bank pulls out—the empty shopfronts and the degeneration of the high street overall. As he said, the post office is an alternative, but interestingly enough, the post office has also closed in his area, as it has in many others.

My hon. Friend the Member for Clwyd South (Susan Elan Jones) proposed the introduction of a novel piece of legislation. I found that fascinating, and we must come back to it another time. She, too, made a bid for a community banking hub. She spoke about the role of mobile banks, but emphasised that they are effective only if they visit frequently and are open for long enough.

The hon. Member for Harrow West (Mr Thomas) has done sterling work over the years in arguing for the development of co-operative banking and credit unions. He drew attention to the lack of affordable credit overall and to the role of the responsible finance movement, which has done excellent work. Credit unions are critical to our society now, particularly in areas that are experiencing deprivation. He also argued for co-operation, and gave the example of how back-room facilities could be co-ordinated to support the development of credit unions. He commended the 2015 Demos report—I urge hon. Members to read it—which looked at the case for a network of local independent banks across the UK, particularly in relation to their role in lending to SMEs.

The hon. Member for Inverclyde (Ronnie Cowan) drew attention to the issue of mobile banks, but also to their drawbacks: they are not very accessible for some people, and are not the ideal solution. He emphasised the impact that the withdrawal of local bank services can have on the local economy.

In his usual eloquent way, my hon. Friend the Member for Ynys Môn (Albert Owen) demonstrated the unfairness of the situation. The national banks have received significant sums of taxpayers’ money to support them, but by carrying out such closures, they are not acting responsibly.

The hon. Member for Ceredigion drew attention to what it is like to live in a rural area when a bank closes, given the impact that that can have, and to the issue of physical access. As he said, there are cashpoints, but what happens when they dry up and what impact does that have on the local economy? He also gave the example of New Quay to show how local businesses can be hampered. Like many hon. Members, he called for fair play in this matter.

The hon. Member for East Lothian (George Kerevan) demonstrated that, as several hon. Members have said, there is a lack of consultation when there is a closure. He emphasised the RBS case, and described the “arrogance” of the banks. I agree with that description, which many of us have experienced. It looks as though RBS is funding its £1.2 billion computer system by closing local banks. I agree that we now need to explore the idea of a universal banking obligation, so that we can address those issues. I am sure that Mr Ross McEwan has heard about the need for an urgent meeting.

My hon. Friend the Member for Islwyn (Chris Evans) comes from the banking industry himself and knows what it is like. He emphasised a key issue that we are all experiencing now, which is just how vulnerable people are to loan sharks and doorstep lenders when a local
bank closes, and the danger that poses. He quite passionately described his campaign on HSBC, the petition he launched and the bungled way in which banks handle closures, by not listening to people. He also called for the next step to be taken for credit unions. I agree with his call for Government assistance to help credit unions take that step up to become local community banks; they have great potential for that.

The hon. Member for Paisley and Renfrewshire North (Gavin Newlands) again described his local campaign and how it was ignored by the bank. The hon. Member for East Renfrewshire (Kirsten Oswald) gave examples of the wave of closures that are taking place. As she said, the challenger banks have been identified as a solution, but are no real solution, with few results in many areas. Her example of the Airdrie Savings bank shows us how banks can be stable and provide a service over generations.

We have heard a lot today about the protocol designed to protect local banking provision. It clearly is not working effectively. Advocates from Move Your Money have urged improvements to the protocol, including forcing banks to have transparent data on branch closure locations and dates, to allow greater scrutiny of their impact. Move Your Money also wants rigorous public interest assessments before the closure of a branch, so that closure decisions are genuinely influenced by community need and likely impact, and a requirement for banks meaningfully to consult local communities in advance of closures rather than simply informing them of the decision after it has been taken. I would welcome the Minister’s views on those ideas, as I know she has taken a personal interest in the matter for some time.

What role is the Competition and Markets Authority playing in addressing the lack of competition as bank branches close? The retail banking review is meant to be addressing that issue. The Federation of Small Businesses has said that it expects “the publication of the CMA’s final report to include specific remedies for the problems caused by bank branch closures.” I welcome that intervention by the FSB and hope the Minister will say something about the role of the CMA’s review in addressing the issue.

I thank all Members for their contributions. This is an urgent matter that needs addressing in many of our constituencies. I look forward to the publication of the review and hope to hear the Government commit to taking serious steps to address the decline in bank branch numbers and in access to banking overall.

4.47 pm

The Economic Secretary to the Treasury (Harriett Baldwin): It is a great pleasure to be able to respond on the Government’s behalf to this really excellent debate. I congratulate the hon. Members for City of Chester (Christian Matheson) and for Ceredigion (Mr Williams) and my hon. Friend the Member for Wells (James Heappey) on securing it, and thank them for giving me the opportunity to update the House on what is going on in this area. I also thank the Backbench Business Committee for scheduling such an interesting debate on a Thursday afternoon. I also thank the hon. Member for Hayes and Harlington (John McDonnell). It is a great honour for me to have the shadow Chancellor respond to the debate. He only lost one member of his team during it, so congratulations to him.
payday lending under the regulation of the FCA and the progress we are making on that. There has been much discussion about the access to banking protocol.

Chris Evans: Does the Minister know of my interest in real-time credit scoring? Has she had a chance to look at that?

Harriett Baldwin: The hon. Gentleman knows that is worth a whole Adjournment debate in itself, so I will talk about the access to banking protocol instead.

The protocol means that when a bank decides to close a branch it must think carefully about the consequences of doing so, particularly when it is the last bank in town. We have heard today—that this debate is timely—that Professor Russel Griggs has been appointed by the BBA to review how it has been working in its first year. All the points raised by Members will be excellent submissions to that review. I hope he will take the opportunity to meet hon. Members to hear at first-hand the feedback on the independent review of the protocol. I would like practical recommendations to come out of the review on how we can move forward. I think we all recognise there will be an ongoing review by banks on how they can best use their branches.

Mr Gareth Thomas: The Minister has a reputation for being one of the most reasonable of her colleagues on the Government Front Bench. Is she willing to receive a deputation from the people in the credit union and the responsible finance industry to see what else might be possible to help them to grow?

Harriett Baldwin: I am glad to confirm that all the occupants of the Government Front Bench are entirely reasonable and sane. I regularly meet members of the credit union industry. The hon. Gentleman’s point brings me on to credit unions specifically.

We think that credit unions are very much worth backing. As the hon. Gentleman will know, we have put a great deal of money into improving their technology. One of the challenges they have is scale: the smallness of some credit unions means that they need a communal IT platform. We have subsidised that to the tune of £38 million. I also want to highlight to the House that we have, in the past few days, launched a consultation—one of which has been coming out—on how the Help to Save product people may have missed it, with all the other news that we have, in the past few days, launched a consultation—

Harriett Baldwin: ...on how we can move forward. I think we all recognise there will be an ongoing review by banks on how they can best use their branches.

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Many Members have alluded to the important role that the post office network can play in solving this problem. As we know, this Government, like the last one, have committed to subsidising the network and making it viable. I dispute what the hon. Member for Ynys Môn (Albert Owen) said about the network having fallen from 11,900. The figure has stayed above 11,500—just over 11,600, I think—so there has been a small decline, but not the precipitous decline we saw when Labour was in government. Post offices are an important part of the solution. For example, the network’s opening hours have increased by nearly 200,000 as a result of the modernisation process.

Members have mentioned the importance of mobile phone signals, digital connectivity and our commitment on universal access. Those things are also an important part of the solution. Moreover, we currently have a record number of free-to-use ATMs in this country—about 45,000—and there is a commitment from the LINK network to continue expanding their number, particularly into harder-to-reach communities.

We have heard powerful and passionate contributions from the right hon. Member for Tottenham (Mr Lammy), my hon. Friend the Member for Brecon and Radnorshire (Chris Davies) and the hon. Members for Clwyd South (Susan Elan Jones) and for Harrow West (Mr Thomas), the last of whom talked about the affordable credit sector and the help we are giving to the mutuals sector. We have also talked about lending to small and medium-sized enterprises and the importance of the community finance network, which I know from my own constituency is very important. There are also now other platforms through which small businesses can access finance, such as peer-to-peer platforms and so on.

I do not have time to make all my points, but my door is open. We all aspire to ensure that as we go through this evolution we maintain good access to finance for everybody. Healthy competition is also important. The new starter banks—five have got a banking licence in this Parliament so far—are an important part of the solution, as too is the way firms are adapting branches to use technology to provide more services. I have run out of time—I want to hand over to the hon. Member for City of Chester to conclude—but this has been a very important and well-timed debate.

4.57 pm

Christian Matheson: I am grateful to you, Madam Deputy Speaker, the Minister and the House. In these crazy, turbulent times, we have found some unity. Members on both sides of the House, from England, Scotland and Wales and from rural and—as my right hon. Friend the Member for Tottenham (Mr Lammy) demonstrated—urban constituencies agree that this problem must be addressed.

We have heard solutions proposed, including the mutuals idea from my hon. Friend the Member for Harrow West (Mr Thomas), and some excellent and practical points from the shadow Chancellor. I get the impression that the Minister is willing to listen. She says that her door is open. I hope it will be and that she will put pressure on the banks’ chief executives to respond. I also hope that she will have access to those chief executives, even if the hon. Member for East Lothian (George Kerevan) and others do not. This matter spans many different areas of government: support for small businesses, community cohesion, social isolation, crime prevention, broadband and internet access and, above all, the alleviation of poverty. These issues will not go away. I am most grateful to hon. Members for their contributions, but action is also required.

Question put and agreed to.

Resolved,

That this House is concerned about continued bank branch closures and the damage that this causes to local communities, small businesses and the welfare of senior citizens; and calls upon the Government to help maintain access to local banking.
DELEGATED LEGISLATION (INDEPENDENT PARLIAMENTARY STANDARDS AUTHORITY)

Ordered,

That the Motion in the name of Chris Grayling relating to the Independent Parliamentary Standards Authority shall be treated as if it related to an instrument subject to the provisions of Standing Order No. 118 (Delegated Legislation Committees) in respect of which notice has been given that the instrument be approved.—(Margot James.)

Market Town Centres: Regeneration

Motion made, and Question proposed, That this House do now adjourn.—(Margot James.)

4.59 pm

Michelle Donelan (Chippenham) (Con): The term “regeneration” does not mean much to people outside council planning departments, but the evolution and renewal of our town centres is vital to supporting communities and changing lives. Despite the name, my constituency contains four vibrant market towns: Chippenham, Corsham, Bradford on Avon, and Melksham. Each is wonderful, each is unique and each has its own challenges. Perhaps my biggest challenge as the local MP is fostering and improving those market towns.

Albert Owen (Ynys Môn) (Lab): I know that the hon. Lady attended the previous debate. Does she agree with me and others who spoke about the importance of high street banks in market towns such as those in her constituency and mine? The bank in Llangefni, for example, traditionally pulls people into the town to spend in shops and the market itself.

Michelle Donelan: I completely agree. In Corsham, we have suffered similar bank branch losses, so I accept the hon. Gentleman’s point.

The fortunes of market towns nationally vary widely. Many are vibrant, fostering successful businesses and attracting tourists, and they are fabulous places to live. Others, despite massive potential, are being held back or struggle to adapt to the challenges of today. Market towns are stuck in a difficult position between the large urban areas, which are eligible for big city deals, the wider regions or powerhouses, as we have come to know them now, and the politically backed regeneration projects that most rural areas get and rural development funds. It appears to me that market towns often fall into the gaps and miss out. Something needs to change to help the areas that I and hundreds of other Members represent.

Perhaps there is scope for a specific mechanism to help such areas and enable them to benefit from some form of grant or initiative. An entire sector has apparently been left out. What I am really calling for today is a national and co-ordinated strategy that will help to bolster and safeguard our high streets and our communities. There is a real danger that, without careful consideration through the planning system, strong leadership by councils, a sense of market towns’ uniqueness and a co-ordinated approach, some market towns will become dormitory towns. The towns that I represent are in a wonderful location in terms of getting to London, Bristol, Bath or Swindon, so they naturally attract commuters. Now, it is up to us to ensure that in the long term they are vibrant places to live—that they have vibrant communities and vibrant town centres, and do not end up as dormitory towns.

The practical reality of many regeneration projects is that they require joined-up, thought-through, community-led solutions, and take into account the specific needs of each and every individual community. At a time when all government—particularly local government—spending is tight, it is understandable that local authorities focus their resources on statutory roles. Regeneration
[Michelle Donelan]

and a co-ordinated plan can easily be left on the back burner, but this is threatening the future of our towns nationally.

We must be more realistic about what Governments and local councils can do. Local councils have become much more responsible for town centres in the past few years, as I have seen in my area. That is part of the process of devolution for which the Conservatives have fought. However, we must give councils financial incentives to enable regeneration. Rather than headline-grabbing projects, I believe we must look for small wins that collectively will improve our town centres over time. The answer is found not in a single, simple solution, but in a co-ordinated approach by our town councils, our unitary or county councils, our national Government and our community organisations and bodies. To do this, we need some sort of strategy—a document that gives advice and shares best practice between areas.

Chris Davies (Brecon and Radnorshire) (Con): May I make it clear that the devolved nations need to be included in these efforts? It is not just a “one size fits all” for England. My constituency has 60 miles of Offa’s dyke, marking the Wales-England border. A strategy should include all areas of Great Britain.

Michelle Donelan: I thank my hon. Friend for his intervention and quite agree: the strategy should be diverse and take account of all the nations and the differences between them. Because each area is different, we need a means to share best practice and ideas so that people can see what will work in their local area. Often, local residents want their town to retain its unique community feel, with a wide range of independent shops bolstered by some big brands. The key is to maintain the right mix to attract customers while offering experiences and convenience that one perhaps cannot get online.

The uniqueness of independent shops is one of the best features of the UK’s market towns. It is clear that our communities care for their towns. The huge public response to the Portas review two years ago, followed by the competition for its funds, should leave us in no doubt about the importance that our communities place on their local high street and market town.

When I was a candidate, before I was elected, I ran a best shop campaign in a few of my towns and the response was phenomenal—far better than for any of my other initiatives—which showed the pride that constituents had for their area. I have lost count of the number of times that constituents have said they want to get a Marks and Spencer’s into the constituency, but independent shops are also important. In Bradford on Avon I am lucky enough to have a market town that is virtually all independent shops. I think it might be the market town in the UK that has the highest proportion of independent shops. I recommend that Members visit because it is quite an experience. Unfortunately, one of its shops recently closed. Tmillions had been there for over 30 years. It was a family-run business with a great deal to offer our town. I hope that it will be replaced by a similar outfit, but every time such a thing happens it is disappointing. It is happening not just in Bradford on Avon, but in Corsham and the other towns I represent. It is indicative of the problem that exists up and down the country, which we need to tackle together.

Each time a favourite independent shop or café closes, we lose a small piece of what makes a community our community—it is what sets our town apart. We must march against the generic, bolster independent shops and support the diversity of each of our unique towns.

I am a huge supporter of local shops and I will be holding a “shop local” campaign next summer. Other areas have run such an initiative, which is designed to promote some of the fabulous produce and variety in a local area. I will also host a “Made in Wiltshire” event in the House of Commons and I invite the Minister to come along to experience the fine delights that we have available locally.

We need to work together as communities to promote our market town offerings, to market their unique selling points and to celebrate them. That is why the regeneration of market towns needs to be co-ordinated by all tiers of government.

The Chancellor rightly acknowledged the needs of businesses in relation to business rates, and I am proud that we are reviewing and overhauling the business rates system. From next year, a company occupying a property with a rateable value under £12,000 will pay zero business rates. I cannot exaggerate how much that will help local businesses in my area. A constituent who owns one of the shops in Chippenham has already told me that that policy means that he is keeping his shop open. That initiative has been proved to work towards bolstering and saving our market towns.

In my area, I have first-hand experience of business improvement districts. They have had great success in certain areas and have started to emerge as a useful tool for leveraging private sector investment to support town centres. Chippenham was an early adopter of a BID, but unfortunately it has been plagued by some negative coverage. That has taught me and our town many learning points. Communication needs to be better and businesses should be involved at an earlier stage.

I am a levy payer—although I am an MP, my shop classifies—and I saw the misconceptions among the business community around my shop and in the rest of the town. We need to take that forward for the rest of the country. If we develop a national strategy, those learning points could be part of that process.

Let us be clear. BIDs, like all the other initiatives, are not a panacea for market towns; they are simply one piece in the jigsaw for regeneration. I stress again that there must be multi-tiered co-ordination with a variety of processes.

When considering the future of our market towns, it is impossible not to think about new housing development. New housing needs to be used as a catalyst of town centre regeneration and, unlike the smaller-scale regeneration projects that I mentioned earlier, when it comes to housing, we need a broad, overall approach to deliver the greatest benefits for our communities. At present, particularly in my area, where there has been a lack of house building for over three decades, there has been a slightly piecemeal approach to housing, so it has failed to generate the development funds for regeneration for which our towns have been crying out for a long time. The situation has also left many local people
unable to get on the housing ladder, which is one reason why Chippenham and all the surrounding towns have ageing populations at rates above the national average.

All too often, section 106 money has been unspent. According to the BBC, there is £1.5 billion of unused funds, which is something that we must avoid in the future. We must find sensible ways to ensure that housebuilding regenerates our town centres, boosts our local business districts and enhances our shopping experiences.

In Melksham and Chippenham, on a particularly large scale, urban extensions have been considered on a case-by-case basis. Over the last five years, the housing supply targets have been considered, but the piecemeal bits added on to our towns have not really helped our town centres or their future development. That is why I am delighted that we are moving towards national plans. I am trying to encourage our areas to adopt them and to ensure that there is a strategy in each area. No longer should we have building for building’s sake; we should be building for a co-ordinated strategy.

Wiltshire is crying out for strategic vision, and I invited the Minister to come to Chippenham to talk to me and my local council about how to make that happen as quickly as possible. It really is crucial for our area. We must make it easier and more attractive for people to live in and close to town centres. Living above retail premises is a very good idea because it allows people to shop, work and even live in one vicinity. The Department for Transport needs to be at the centre of plans for town centre regeneration because new roads, light railways, and new walking and cycle paths are all essential elements of that.

As I have mentioned the Department for Transport, it would be remiss of me not to raise again the possibility of reopening Corsham station. This is well over the sixth time—it is the second time today—that I have mentioned that in the Chamber. Its reopening is vital for my constituency, particularly the market town of Corsham and indeed the surrounding areas. Reopening this one station could have an impact beyond all imagination.

While I am making pitches for Government backing for local projects, I must mention Bradford on Avon. It is one of the most attractive towns in the south-west, but suffers from a potent mix of traffic jams, poor air quality and concerns over pedestrian safety through its narrow streets. I hope that Bradford on Avon’s town council and unitary council will invest in a study to determine whether they could implement a one-way system, which a survey that I conducted showed that the public were crying out for.

Both Chippenham and Melksham have been the victims of some poorly planned developments, as I have mentioned, and both towns need bold plans to bring in the new housing that is needed. That housing should combine with new parks, business parks and retail opportunities, and improved transport links, including better roads and trains to support the evening economy. There is a need for more healthcare services and more infrastructure so that we can move away from the threat of dormitory towns.

Many great local successes can contribute to a national strategy informed by ideas from the community. I have learned from representing my Chippenham constituency that the community is always active and engaged in how it pulls it together, ensuring the survival of the town. Chippenham now has purple flag status, which other towns in the area are trying to get. Melksham has won summer in bloom competitions for a number of years, and we have a host of community events from sci-fi festivals and comic cons to folk festivals throughout the constituency. These continue to be the lifeblood of our market towns. These are the sorts of things that could become blueprint ideas in a national strategy that could be touted around the country for people to adopt.

We also have a number of successful groups from street pastors to pub watches that ensure the safety of our market towns.

Winston Churchill said:

"We shape buildings and then they shape us".

A system of empowered local councils and professional town plan management is the only way to ensure that our market towns adapt to the 21st century. We need to develop a national strategy that will support our market towns. The strategy should be multi-tiered, sharing best practice and crossing the divide between government and communities. I hope that, through the local planning system, through a bold approach to new developments within market towns, through enhancements and improvements to BIDs, by having even more high-street retailers in towns such as Chippenham, Melksham, Corsham and Bradford on Avon, and through investment in transport projects such as road improvements and the reopening of stations, we can ensure that market towns evolve to meet the challenges not just of today, but of tomorrow. I end by asking the Minister once again to address the question of a national strategy.

5.14 pm

The Minister for Housing and Planning (Brandon Lewis): I congratulate my hon. Friend the Member for Chippenham (Michelle Donelan) on securing the debate. It is good to observe the passion that she brings to this debate. It is good to observe the passion that she brings to the Minister for Transport (Chris Davies), who intervened, have shown that determination to ensure that there are opportunities for our high streets. Given the importance of the issue, I am a bit surprised that the Opposition Benches are empty, but I will address them anyway.

I know that many Members work hard with partners in their constituencies—as my hon. Friends do—to keep town centres at the heart of our communities, and to overcome the challenges that we undoubtedly all face as consumer habits change. If high streets are to remain at the heart of our communities, they need to become more than just places to shop. They need to become vibrant and viable places where people can live, shop, use services and spend their leisure time, during both the day and the evening. We are determined to help our high streets, and committed to helping them. I believe that this is a critical time for our town centres, and I am dedicated to ensuring that local authorities, local enterprise partnerships and local partnerships of any type—including business improvement districts and, indeed, communities themselves—have access to the tools and powers that they need in order to transform their local areas.
We have made clear our wish to empower towns and cities to become real engines of growth, unleashing their full potential by placing the power to make decisions in the hands of those who know best what is needed: the people who live and work there. We are committed to supporting local growth throughout the country, and I am pleased to say that Wiltshire is no exception. We have announced growth deals worth £140 million with the Swindon and Wiltshire local enterprise partnership, and £16 million has been allocated to the Chippenham station hub to enhance station facilities. We expect that to unlock £16 million of private sector investment, and a further £2 million from local developers. The local enterprise partnership estimates that the station hub will create 600 jobs, both directly and indirectly, as well as up to 1,457 parking spaces and retail, commercial and housing development. The project will help to meet expected increases in passenger numbers, and a pedestrian link will provide improved access for people with direct mobility impairments.

There are other examples of growth deal projects in the Chippenham constituency. The investment of £8 million for the dualling of the A350 Chippenham bypass will deal with known and forecast congestion points, and there will be a further £2.5 million for the renovation of the Mansion House building in Corsham, which creates incubation space for businesses and teaching space for higher education courses.

As I know from my previous role as the Minister specifically responsible for these matters, high streets and town centres play an essential role in delivering such landscapes. They create jobs, nurturing small businesses and injecting billions of pounds into our economy. According to a report published in July 2015 by the Association of Town and City Management, town centres contribute nearly £600 billion to UK plc each year. That is why the Government have been so determined to back small and medium-sized enterprises, and why, in the Budget, we announced the biggest ever cut in business rates.

All that goes hand in hand with parking reforms and the lifting of planning restrictions to increase flexibility of use on high streets, making it easier for them to adapt to the needs of their communities, and providing additional rights. Research has shown that those measures are driving people back on to the high street, and that they are taking advantage of the way in which the digital age is moving things forward as consumer practices change. Many high streets are benefiting from that, and returning valiantly from the recession. Recent data have shown positive footfall trends in most locations, and year-on-year retail sales have increased for 37 consecutive months. That is the longest period of sustained growth since 2008. In the last year, investment in high street retail property jumped by 30%, and the national vacancy rate has fallen to a level that has not been seen since 2009.

While there is a lot of good news for high streets—and we should be clear about that, and build on it—I am aware that in some places, there are retail spaces that have seen better days. Government cannot and should not rest on their laurels, and I and colleagues are working hard to develop a range of support to help all high streets thrive. We are looking at what more we can do to strengthen the influence of, for example, business improvement districts over local decision making and service provision. High streets need the strong digital offer that the modern consumer wants, and we are taking forward that work to help them compete in the digital era.

We all know that car parking has an essential role to play in supporting viable communities, including high streets and tourist destinations, and I do not deny that I am personally very attached to the fact that we see footfall increase where parking charges are reduced and access to parking is easier. Local authorities should look carefully at that, and my experience is that the best way to bring more footfall to the high street is to reduce parking charges or, even better, introduce free parking. I am delighted that my Conservative-led council has recently done that in Great Yarmouth.

People are increasingly looking for more diverse “experiential” offers from their town centres that focus on a range of things like leisure, commerce and services. We no longer just go to our high street to shop; we go there to spend time and we may do some shopping while there. We have to allow the flexibility for high streets to change.

My hon. Friend is right to talk about housing, and I was delighted recently to visit at her invitation to look at what more we can do to make sure we are providing housing in her area and how this benefits our town centres. By increasing housing provision in our town centres, we achieve two very positive things that work at two different levels. Having more homes in town centres leads to increased footfall for town-centre businesses. At a secondary level, this is important because people want to be around town centres; they are generally good transport hubs and they provide good access to services and retail. Town centres are a good place to live, and it is good for the businesses to have people living there.

The starter homes land fund, launched in March, has highlighted the potential for housing-led transformation in town centres, and I encourage local authorities to bid for that fund and to bring more housing, particularly starter homes, into their communities and around our town centres.

I am keen to see new public and private sector partnerships developing, which will foster more local growth. Local authorities can use this as an opportunity to reconfigure the way they deliver public services and use their land and buildings in those areas. My departmental colleagues and I will be leading work to help deliver these new residential opportunities in the coming months, but I would like my hon. Friend and other Members here today to consider how housing can support our towns and high streets in our constituencies across the country.

In closing I want to touch on the great British high street awards. I am keen to continue celebrating the passion, commitment and civic pride found in high streets and town centres up and down the country. The 2015 awards were a great success, and the 2016 awards are a great opportunity for people to recognise and celebrate the great work being done in their local communities. I encourage people to develop opportunities and put forward entries, and I look forward to seeing entries coming in from right across Wiltshire.

We are committed to helping our high streets adapt to changing times, but we must be clear: there is no one-size-fits-all solution. That is why we cannot have a
top-down approach; we have to make sure we give the tools and powers to every area to do what is right for them. Every town is different; from market towns to ribbon towns, we must make sure we address the local needs of each particular area, enabling them to decide for themselves what is best for their high streets and town centres.

But everybody must play their part, with local economic partnerships, councils, businesses, communities, business improvement districts, Ministers and local MPs working together to develop the vision and solutions for their areas. Through the great British high street awards, we have seen wonderful examples of this already over the last couple of years, and we all need to work together to tackle more challenges, which will be beneficial for those awards and for our high streets in the years ahead. We are committed to doing just that, and I thank my hon. Friend for raising this topic today.

*Question put and agreed to.*

5.24 pm

*House adjourned.*
Oral Answers to Questions

EDUCATION

The Secretary of State was asked—

Academies: Teacher Pay

1. Marion Fellows (Motherwell and Wishaw) (SNP): What assessment she has made of the effect of conversion of schools to academies on teacher pay scales. [905608]

The Minister for Schools (Mr Nick Gibb): Academies have the freedom to determine their own pay arrangements. They are not bound by the provisions of the “School teachers’ pay and conditions document”, and can set the pay of their staff at the level they consider appropriate to recruit and retain the high-quality teachers they need. Academies’ freedoms also extend to other areas, including the curriculum, enabling them to develop approaches that better meet the needs of their pupils.

Marion Fellows: For local authority maintained schools, teacher pay scales are nationally agreed, as the Minister has just said, and they give teachers a clear indication of how their salaries will increase. However, allowing academies and academy trusts to set their own pay scales means that staff pay is very variable. What assessment has the Secretary of State carried out of the effect of deregulating pay scales on teacher morale and retention?

Mr Gibb: May I first welcome the hon. Member for Ashton-under-Lyne (Angela Rayner) and congratulate her on her appointment as shadow Secretary of State? She follows in the footsteps of the long-serving hon. Member for North West Durham (Pat Glass), and I suspect she was more surprised than I was by her appointment. Having worked with her in seeking to raise standards in Oldham schools, I know how able a shadow Secretary of State she will be.

In answer to the hon. Member for Motherwell and Wishaw (Marion Fellows), flexibility is of course important. It enables academies to flex their salaries and to recruit and retain the top-quality graduates they need. It is a very worthwhile policy, and it is working.

Andrew Bridgen (North West Leicestershire) (Con): Does my hon. Friend agree that it is essential that headteachers have the ability to flex salaries to retain the very best staff? Will he also comment on whether resigning after 48 hours in the education sector sets a new record?

Mr Gibb: I think it must be the record for the shortest-serving shadow Secretary of State. I am particularly offended, though, that there is no one to shadow me, and I wonder what I have done to deserve that offence.

Mr Speaker: I am sure the hon. Gentleman will bear up stoically and with fortitude under the burden.

John Cryer (Leyton and Wanstead) (Lab): Could the Minister now answer the original question? Is he advocating the abolition of national pay scales, because that is what it sounds like he is saying?

Mr Gibb: What I am saying is that, with the new freedoms academies have, they are able to pay salaries to attract the best teachers. That is a very good policy; it enables them to retain and attract the graduates in maths, physics and modern languages that schools and headteachers are telling us they need to recruit.

Nic Dakin (Scunthorpe) (Lab): The School Teachers Review Body reported a very long time ago, and we are nearly at the end of the academic year. What is holding up the Government’s response to this report?

Mr Gibb: Ah, so there is my shadow, sitting on the Back Benches. He is very welcome. I wish he were sitting on the Front Bench and not there. However, in answer to his question, we are currently considering the STRB report, and we will publish it shortly, together with the Government’s response.

Alan Brown (Kilmarnock and Loudoun) (SNP): It is likely that academies in better-off areas will be able to access more funding and therefore pay higher salaries and attract the best teachers. What will that do for staff morale in academies in poorer areas? How will they be able to attract the teachers needed to close the attainment gap?

Mr Gibb: Academies’ funding rates are the same as those for the area in which they are situated. My right hon. Friend the Secretary of State will say something shortly about the national fair funding formula, which we hope will make funding across the country fairer.

Angela Rayner (Ashton-under-Lyne) (Lab): It is a pleasure to face the Minister for the first time today. As he mentioned, we have discussed education issues in one of the areas in my constituency, in Oldham. It has been an interesting week, and I am really pleased that there are still two women at the Dispatch Box overseeing education; that is really good news.

We face a crisis in the teaching workforce, and it has not been made any better by the potential problems with teachers’ pay. Almost 50,000 teachers quit this year—the highest figure ever. More teachers left than were recruited, and applications are still falling. The crisis has left academies spending nearly £200 million more on supply teachers in the last year. Is the Minister now prepared to apologise for the Government’s accusation that the Opposition were scaremongering in raising this issue?
Mr Gibb: The truth is that there are record numbers of teachers in the profession today. There are 456,000 teachers—15,000 more than there were in 2010. Some 43,000 teachers left the profession in 2015, but they were replaced by 45,000 coming into it. Talking down the teaching profession does not help to encourage graduates to come into it. Wherever I go, I talk up the profession. I hope that the hon. Lady, in her role, will do the same.

Angela Rayner: I think that every single teacher does an absolutely superb job. Ministers should listen to teachers when they talk about the issues that teachers face every single day in the classroom. On today’s evidence, it seems that Ministers are failing and not listening. They are not prepared to apologise. Where is the evidence that devolving terms and conditions to school level will lead to higher standards? Can the Minister tell us of any other high-performing country in which this has been done?

Mr Gibb: Academies are improving their standards at twice the rate of local authority schools; that is particularly the case for primary schools that have been underperforming and have been turned into academies. After two years, they are improving their standards by 10 percentage points—twice the rate of local authority schools—and using their flexibilities to ensure that they can recruit the best teachers into their classrooms.

Carol Monaghan (Glasgow North West) (SNP): Academies are able to pay higher rates of pay to keep teachers, but deregulation of pay scales means that staffing budgets can also be slashed, with the key resource—the teacher—becoming a second-class asset. What steps has the Minister taken to protect pay scales to ensure that teachers have a nationally guaranteed level of pay?

Mr Gibb: It is odd to hear people complaining that we are going to cut teachers’ salaries and at the same time saying that there is a shortage of teachers and that it is difficult to recruit. The free market will ensure, of course, that salaries—the jobs market—[Interruption.] We are living in a strong economy. We have to compete for our graduates with companies up and down the country. That is what will secure high salaries for the teaching profession.

Carol Monaghan: Tomorrow’s planned strike by members of the National Union of Teachers has come about as a result of the ongoing erosion of teachers’ pay and conditions, with entitlements such as sick leave and maternity rights under threat. How does the Minister plan to protect teachers’ maternity rights under the academy system?

Mr Gibb: The strike is based on a ballot in which under 25% of teachers in the NUT voted. I agree with Deborah Lawson, the general secretary of Voice, which is a non-striking teachers’ union, who has called these strikes a “futile” and “politically motivated” gesture. As my right hon. Friend the Secretary of State has said, this strike will “harm children’s education, inconvenience parents and damage the profession’s reputation in the eyes of the public”.

Does the hon. Lady agree with that assessment?

Teacher Workload

2. Mrs Flick Drummond (Portsmouth South) (Con): What steps her Department is taking to assist teachers in managing their workload.

8. Rebecca Pow (Taunton Deane) (Con): What steps her Department is taking to assist teachers in managing their workload.

The Secretary of State for Education (Nicky Morgan): First, I add my welcome to the hon. Member for Ashton-under-Lyne (Angela Rayner). I look forward to engaging with her on our mutual interests: education and, I understand, women and equalities. I pay tribute to the hon. Member for Manchester Central (Lucy Powell) for her work as shadow Education Secretary. I think it is fair to say that we did not agree on everything, or perhaps even much, but I do pay tribute to her hard work, and that of the hon. Member for Scunthorpe (Nic Dakin), who I have also worked with over the years.

We are continuing our extensive work to remove unnecessary workload for teachers. As part of my commitment to taking action in this area, we established three independent review groups to tackle workload relating to marking, lesson planning, and data management. We have accepted all their recommendations to Government. We urge school leaders and others in the education system also to act on those recommendations, and we will continue to work on this.

Mrs Drummond: Has my right hon. Friend considered lengthening the school day to allow teachers the space to plan and mark during the school day, rather than during evenings and weekends? That would also give pupils the opportunity to engage in subjects such as art, music, drama and sport that may not be part of their curriculum at the moment.

Nicky Morgan: My hon. Friend will remember that in the Budget the Chancellor mentioned support for a longer school day. Many schools already offer extra activities as part of a longer school day. We are keen to support this, and hope that they will broaden their range of activities. However, if we have a longer school day, there is no requirement for teachers to increase their workload to accommodate that. We will come forward with more details in due course.

Rebecca Pow: Having spoken to many teachers in Taunton Deane, it is clear to me that a significant number feel under continual pressure to adapt to a constantly changing system, and there are worries that more changes are on the horizon. Will the Secretary of State give assurances that following the White Paper, teachers will begin to see greater consistency? Will she meet me, and perhaps some local teachers, to discuss these issues?

Nicky Morgan: Of course I will be very happy to meet my hon. Friend and any teachers or headteachers she might like to invite from her constituency. Our aim is to give schools and colleges as much stability as possible to deliver the ambitious reforms set out in the White Paper. We want to give teachers and leaders the
Schools when they become academies. Parents have greater say in the running of their children's schools when they become academies.

Sue Hayman (Workington) (Lab): I have raised on the Floor of the House on a number of occasions the problems in west Cumbria with teacher recruitment and retention, which are leading to workloads building up, to the detriment of our children's education. I am concerned to see that figures provided by the National Union of Teachers project that Cumbria will see a 4.5% real-terms cut in funding under the Government's new national funding formula. What is the Secretary of State doing to address that, and to ensure that there is no detriment to children in my constituency?

Nicky Morgan: We are aware of issues relating to recruitment in certain parts of the country and in certain schools. I am pleased to say, as the Minister for Schools has said, that we have recruited more teachers to teacher training for the start of next year. The hon. Lady is right to say, however, that among the reasons that teachers often struggle to stay in the profession are workload, behaviour and other expectations. We will have more to say about the national funding formula. I ask the hon. Lady to wait for the consultation and to make sure that she takes part in it, but I think she will agree that it must be right that pupils with the same needs attract the same amount of money, regardless of where they are based.

Chris Leslie (Nottingham East) (Lab/Co-op): If the Secretary of State really does want to help teachers with the workload pressures that they are under, she has to do much more to tackle the serious shortage of teacher colleagues in schools and the duplicative paperwork that teachers are coping with, and not rely so much on the Minister for Schools, who sees the wonders of the free market as the solution.

Nicky Morgan: The Minister for Schools does a fantastic job, and it is a delight to have his sunny outlook in all of our ministerial meetings. There are schools across the country that manage workload issues. When I visit schools, I always ask about workload, and it is interesting that there are some schools—they are very similar—where teachers are supported in terms of workload, and others where there clearly are issues. I challenge the hon. Gentleman to make sure that when he next visits schools in his constituency, he takes with him, or looks at, the workload report, and asks teachers and heads in the staffroom how they are getting on with implementing the recommendations. I accept that there are recommendations for Government, Ofsted and school leaders; between us all, I am sure that we can make progress.

Academies: Parent Involvement

3. Rehman Chishti (Gillingham and Rainham) (Con): What steps her Department is taking to ensure that parents have greater say in the running of their children's schools when they become academies.

The Minister for Schools (Mr Nick Gibb): The White Paper set out our commitment to ensure that parents have a more significant voice in schools. We will build on existing effective practice in academies to strengthen the expectation that they will listen to the views and needs of parents. We will also launch a new parent portal, setting out key information that parents need to know about schools.

Rehman Chishti: Parent governors play a vital role in schools across the country and in my constituency of Gillingham and Rainham. The excellent portfolio holder for children's services in Medway, Councillor Mike O'Brien, asks the Minister to confirm that the parent governor role will continue under the Government's new plans for academies.

Mr Gibb: I agree with my hon. Friend and the excellent Councillor Mike O'Brien, whom I know well and wish all the very best, that parents play a very important role in the governance of our schools. I fully expect that to continue as more schools become academies. High-quality governance is vital for the success of our schools, and boards need governors with the right skills to perform the role well. Many parents have the skills to make them effective governors, and boards will continue to appoint them as governors for that reason. There is nothing in the White Paper proposals to prevent academies from continuing to have elected parent governors if they wish to.

Tristram Hunt (Stoke-on-Trent Central) (Lab): The Secretary of State sought to ban parents from becoming school governors. She has blocked Ofsted from inspecting academy chains, and she refuses to have any democratic oversight of regional school commissioners. In her final days in office, with school improvement stalled, according to the chief inspector, has she not realised that the command-and-control, “Whitehall knows best” approach to schools and education does not work?

Mr Gibb: This seems like an upside-down House: the Labour Front Benchers are on the Back Benches, and its Back Benchers are on the Front Bench. We intend to increase academy engagement with parents by creating an expectation that every academy will put in place arrangements for meaningful engagement with parents and for listening to their views and feedback.

23. [905631] John Howell (Henley) (Con): Will the Minister use this occasion to reassure parents of pupils at the Europa School in my constituency that they will still be able to play a part in the running of their school?

Mr Gibb: Yes, I am very happy to give my hon. Friend that assurance. Of course they will. The Europa School provides an excellent education. Since it became a free school in 2012, it has been rated good by Ofsted, and it continues to provide a very high-quality education.

Heidi Alexander (Lewisham East) (Lab): Parents in my constituency have been left feeling bewildered and angry after an academy order was issued for Sedgehill School but was withdrawn for six months because the regional schools commissioner could not find a sponsor.
What does this uncertainty say about the state of the Government’s academy programme, and how can this uncertainty possibly be good for pupils?

Mr Gibb: What it says is that the regional schools commissioners are very selective about the sponsors that oversee our academies programme. That is why two thirds of secondary schools are now academies, one in five primary schools is now an academy and standards are rising faster in academies than in local authority schools.

Angela Rayner (Ashton-under-Lyne) (Lab): I would also like to pay tribute to my predecessor, my hon. Friend the Member for Manchester Central (Lucy Powell), and her team for the work that they did with MPs from across the House to convince the Secretary of State that full-scale forced academisation is not right for our children or our communities. As glad as we are that the right hon. Lady was for turning, she still plans to convert schools into academies across vast swathes of our country. Will she now rethink her description of parents as “vested interests”, which added insult to injury?

Mr Gibb: May I correct the hon. Lady? Her predecessor was not the hon. Member for Manchester Central (Lucy Powell); it was the hon. Member for North West Durham (Pat Glass), and I regret that she felt it necessary to resign. The academies programme is very successful, even without taking the powers that we had suggested. The programme is moving at pace—there were 200 academy conversions last month—and sponsored academies are improving faster under this arrangement. I hope that the hon. Member for Ashton-under-Lyne (Angela Rayner) will support a programme that began under the Labour Government, not this old Labour Opposition.

School Funding

4. Christopher Pincher (Tamworth) (Con): What progress her Department is making on ensuring that funding is fairly distributed across schools.

11. Peter Aldous (Waveney) (Con): What progress her Department is making on ensuring that funding is fairly distributed across schools.

14. Luke Hall (Thornbury and Yate) (Con): What progress her Department is making on ensuring that funding is fairly distributed across schools.

The Secretary of State for Education (Nicky Morgan):

A fairer funding system is crucial to deliver our aim of educational excellence everywhere. It was a proud moment when Her Majesty said in her most recent Gracious Speech:

“There will also be a fairer balance between schools, through the national funding formula.”—[Official Report, House of Lords, 18 May 2016; Vol. 773, c. 2.]

The first stage of our two-part consultation on a national funding formula closed in April, and I thank everybody who responded to it. We are carefully considering the many responses we received.

Christopher Pincher: As the funding formula consultation progresses, will my right hon. Friend listen carefully to the voices of parents in Staffordshire—a county that has done relatively badly out of former formulas because it has areas of social deprivation—so that schoolchildren from the Kerria and Glascote estates in Tamworth have the same opportunities as those from Wolverhampton?

Nicky Morgan: I thank my hon. Friend for his question, and I know that he is a powerful champion on this issue. Of course we will listen to the views from Staffordshire, and I know that the Schools Minister has met a number of delegations from Staffordshire already. As I said earlier, the intention is that children with the same needs do not attract different amounts of money simply because of where they live. The new formula will ensure that pupils from disadvantaged backgrounds receive additional funding. The reforms are significant, so we are determined to get them right, which is why we will consult extensively.

Peter Aldous: I am interested in that answer. What steps will the Secretary of State take to ensure that the new funding arrangements for high-needs blocks are implemented promptly, and that low-funded counties such as Suffolk do not have to wait many years until they receive the level of funds to allow them to meet the needs of vulnerable learners?

Nicky Morgan: My hon. Friend demonstrates the desire of Members from all parts of the House and from different counties to ensure that the funding formula is looked at. We are distributing additional high-needs funding. This year, Suffolk will receive an extra £1.2 million. As I have said, we are considering carefully the responses to the first stage of the national funding formula consultation on high needs, because we are determined to ensure that those who have been underfunded in the past benefit as quickly as possible.

Luke Hall: I warmly welcome the announcement that South Gloucestershire and Stroud College has been successful in its application for the SGS Pegasus free school. It will be an 80-place school for autistic pupils, opening in September 2017. Can the Secretary of State assure me that Pegasus and other schools in South Gloucestershire and in my constituency of Thornbury and Yate will receive their fair share of funding following the introduction of the new formula?

Nicky Morgan: My hon. Friend is absolutely right. My Ministers and I want to ensure that all schools receive their fair share of funding. South Gloucestershire and Stroud College has indeed been successful in applying to open the SGS Pegasus free school. Free schools form an integral part of the Government’s education policy to improve choice and drive up standards in schooling.

Lucy Powell (Manchester Central) (Lab/Co-op): I did not expect to be on the Back Benches today, having resigned from a job that I relished doing over the past few months, but we are where we are.

Yesterday on the television, the Secretary of State again presented the illusion that school budgets have been protected over the course of this Parliament, yet she and I both know that school budgets are facing significant cuts in real terms, which are having a huge
impact on the frontline. Given that the Chancellor has all but abandoned his fiscal approach, will she be the first person at his door to ensure that our schools have the real-terms budget protection they need?

Nicky Morgan: I pay tribute to the hon. Lady, because I could see how much she loved doing her job as shadow Secretary of State for Education. The truth is that we have protected the overall schools budget in real terms. This year, the core schools budget will be over £40 billion, which is the highest amount on record.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): What would the Secretary of State say to Schools NorthEast, which represents 1,000 schools in my region and has said that “the Government risks fuelling the North-South divide in education by proposing to fund schools with similar characteristics differently, based on their location.”?

Nicky Morgan: I would completely disagree with that assertion. I ask the hon. Lady to ensure that she and the schools in her area take part in the next stage of the consultation. She should not forget the funding that has already been allocated by my right hon. Friend the Chancellor as part of the northern powerhouse fund for schools.

Angela Rayner (Ashton-under-Lyne) (Lab): I am afraid that the Government’s claim that they are providing fair funding is unravelling as fast as the pledge of £350 million that the Government’s claim that they are providing fair funding is unravelling as fast as the pledge of £350 million for the NHS on the Vote Leave bus. Will the Secretary of State confirm that analysis by the Institute for Fiscal Studies shows that the new funding settlement will implement an overall cut of at least 8% in school budgets?

Nicky Morgan: I applaud the hon. Lady’s activity today and her grip on her brief, but the answer is no. In 2016-17, the dedicated schools grant will total £40.68 billion, which is an increase of more than £4 billion since 2011-12 and the biggest amount any Government have ever spent on schools.

Neil Carmichael (Stroud) (Con): The Secretary of State, but there is a danger in inaction, too. We have consultation. There are always dangers for Secretaries of State, but there is a danger in inaction, too. We have seen examples of American farming concerned about these formula to help areas and schools with a history of low teacher recruitment rates?

Nicky Morgan: I pay tribute to the work the hon. Gentleman has done to represent schools in Bradford, and I know that other Bradford Members of Parliament are also very committed to raising educational standards in their area. In talking about fairer funding earlier, I spoke very specifically about children with the same needs attracting the same amount of money. It is right that children from disadvantaged backgrounds should receive more money. I would ask him to engage with us on things such as the “achieving excellence areas”, which were outlined in the White Paper that was published earlier this year.

Several hon. Members rose—

Mr Speaker: Order. Progress this afternoon is very slow. I will take a couple of supplementaries, but they must be very brief and so must the replies.

20. [905628]Michael Tomlinson (Mid Dorset and North Poole) (Con): Will the Secretary of State, in reaffirming her commitment to fairer funding, set out the timetable for the consultation process and say when it will eventually be implemented?

Nicky Morgan: I hope to be able to consult extremely shortly. This is complicated and I want to give local authorities time, but my hon. Friend is right that we need to make progress.

Andrew Gwynne (Denton and Reddish) (Lab): Is there not a danger for the Secretary of State that some schools will risk losing funding and that those that gain from the new funding settlement will not gain nearly enough to offset both the freeze in the education grant and the national insurance increases?

Nicky Morgan: I do not want to pre-empt the consultation. There are always dangers for Secretaries of State, but there is a danger in inaction, too. We have had an unfair national funding formula for well over a decade, and probably longer. I am not going to go down as the Secretary of State who had the opportunity to try to right that wrong but did not take it.

21. [905629]Kevin Hollinrake (Thirsk and Malton) (Con): Will my right hon. Friend confirm that small rural primary schools, which are currently on the margins of financial viability, will be as secure under the new formula with academy status as when maintained by the local authority?

Nicky Morgan: We are very aware of the specific demands for rural schools. There will be specific funding to recognise their characteristics, including sparsity in particular. I hope my hon. Friend will take part in the consultation.
**Deferred School Starts**

5. Stephen Hammond (Wimbledon) (Con): What progress her Department is making on giving parents of summer-born and premature children the choice to defer their child’s start at school. [905613]

The Minister for Schools (Mr Nick Gibb): Subject to parliamentary approval, we have decided to amend the school admissions code to support summer-born children in delaying entry to the reception year. We are now considering how to implement that change, and what other changes it would be appropriate to make to the code at the same time.

Stephen Hammond: I thank the Minister for that answer. He will know that the delay to the consultation on the code is causing some concern because of inconsistent responses from local authorities. May I press him further: can we ensure that the code covers the difference between actual dates of birth and due dates?

Mr Gibb: My hon. Friend has been a strong campaigner on this issue. As a consequence of his representations, and as part of our review of the code, we are considering whether it would be appropriate to use the due date of premature children rather than the birth date to determine when they start school.

**Pupils from Non-UK EU Countries**

6. Patrick Grady (Glasgow North) (SNP): If she will make it her policy that all school children who are non-UK EU nationals retain access to the education system in the event of the UK leaving the EU. [905614]

The Secretary of State for Education (Nicky Morgan): As a matter of principle all children resident in the United Kingdom receive a free state school education. That provision goes back to 1880, when compulsory attendance at school to age 10 was introduced in England and Wales. The UK remains a member of the EU until the article 50 negotiations have concluded, which could take two years or more. Until the process is completed, the article 50 negotiations have concluded, which could take two years or more.

Patrick Grady: I thank the Secretary of State for that answer, but does she recognise the impact that such uncertainty has on young people and their education? The First Minister, the National Association of Head Teachers and others are seeking precisely these assurances, so can she give an assurance that children from EU countries will be allowed to complete their education and will not be used as bargaining chips in negotiations about Brexit?

Nicky Morgan: The hon. Gentleman makes a very powerful case. There is obviously an awful lot to discuss in the light of the result of 23 June, which is not the result that I campaigned for. I completely accept his point that we should of course make sure that children of non-UK EU nationals resident here are educated.

**Character Development**

7. David Warburton (Somerton and Frome) (Con): What steps her Department is taking to ensure that young people develop character at school. [905615]

The Minister for Children and Families (Edward Timpson): As some Members of this House have discovered in recent days, character—whether that be perseverance, respect for others, bounce-backability or the ability to build strong relationships—is an important attribute that should not be underestimated. That is why we are working with schools to ensure that all young people can develop the character traits that will support their future success. We are investing £6 million to test approaches to character education and are delivering character awards to highlight the excellent practice that already exists.

David Warburton: I thank the Minister for that answer. I chair the all-party group on the British Council, which is about to launch an inquiry into the causes of extremism and radicalisation. I am sure that my hon. Friend well understands the crucial importance of the arts in developing breadth and depth of character—we will be debating arts education later today. How is the Department working to ensure that schools are provided with the right tools to build tolerance, balance and understanding in our young people?

Edward Timpson: I commend my hon. Friend for launching his inquiry. I know that there is a debate later in Westminster Hall on the EBacc, and I am sure many of these issues will be discussed. In many ways, schools provide the best protection from radicalisation by ensuring that pupils are encouraged to explore and debate ideas, and to test each other and themselves, so that they leave school with the resilience and critical thinking skills they need to challenge extremist views. To that end, we have launched the educate against hate website to provide practical advice to parents, teachers and school leaders on how to protect children from extremism and radicalisation.

Sarah Champion (Rotherham) (Lab): Child abuse is rife in the UK, and I welcome the comments about character. Will the Secretary of State support my call for all primary school children to have statutory resilience and child protection lessons to prevent child abuse?

Edward Timpson: The Secretary of State is very aware of the hon. Lady’s campaign, as well as of the need to ensure that children are as resilient as they can be to the greater dangers that face them in the world in which they live. Those matters remain under review as part of personal, social, health and economic education, and we will return to them in future.

Karl McCartney: I call Karl McCartney.

19. Karl McCartney (Lincoln) (Con): Thank you for spotting the link, Mr Speaker. The original question about character is all very good, but what is the Minister doing to ensure that young people have sound moral judgment and a tough backbone, so that
they pick the right side of an argument and accept democratic decisions, supported by their peers and the wider populace?

Edward Timpson: Perhaps I could pick out two traits that would be well worth considering: one is common sense, and the other is kindness—two things that we would do well to try to instil in every young person as they grow up in the society we have created for them.

Liz McInnes (Heywood and Middleton) (Lab): We would all agree that participation in sport at school is character building, and the Chancellor announced in his Budget that money raised from the sugar tax will be spent on sport in schools. How much money is expected to be raised from the sugar tax, and what talks have taken place on how those funds will be spent?

Edward Timpson: The hon. Lady is right to highlight that money from the sugar levy will be spent directly on sport and physical activity. There is also a commitment of £500 million to help up to 25% of secondary schools extend their school day, and we have doubled the PE and sport premium for secondary schools from £150 million to £300 million per year, which is already making a significant impact on the quality of PE in many of our primary schools.

Mr Gordon Marsden (Blackpool South) (Lab): Character development includes turning young people to the outside world and helping them to gain confidence when thinking and working with people. Work experience in the teens is crucial, and it is damaging that Ministers scrapped the key stage 4 requirement in the curriculum. No wonder business groups urged them to do more, as did the skills commission on careers advice; and a five-year policy and funding vacuum has failed to prepare young people for that world of work. Will Ministers use the new Education and Adoption Act 2016 to restore work experience to the curriculum?

Edward Timpson: Many of us have had the benefit of work experience—I am sure some Members are enjoying that right now on the Opposition Front Bench—and we know that it provides people with a better understanding of the opportunities that they have in later life. The Careers and Enterprise Company is an important development because it seeks to open up those opportunities and create better links between schools and business.

Mindfulness: Schools

9. Jessica Morden (Newport East) (Lab): What steps she is taking to increase access to mindfulness programmes in schools.

The Minister for Children and Families (Edward Timpson): Good mental and emotional health is a key priority for this Government, and it is crucial if we want all children to fulfil their potential both academically and for their general wellbeing. It is for schools to decide how best to provide appropriate mental and emotional health to support their pupils, and the Department is undertaking a national survey to find out what activities schools offer, including mindfulness, to help us decide how best to support schools in practice.

Jessica Morden: Having visited schools in my constituency that are running mindfulness programmes in the classroom, I know how much such programmes are appreciated by young people. Given the growing mental health crisis, there is a real urgency to innovate, and mindfulness can be part of that. Will the Minister agree to meet a cross-party group to discuss the availability of such programmes?

Edward Timpson: I am happy to meet the hon. Lady and a delegation to discuss the matter further. I am all for greater innovation in schools and for deciding how we can better support children so that they are strong and stable emotionally, which we know is a better backdrop to them being academically successful. I am sure we can arrange a meeting to discuss that further.

Caroline Nokes (Romsey and Southampton North) (Con): Mindfulness can be an important component of a wider PSHE programme, which our good and outstanding schools already implement. What progress is being made towards making PSHE statutory in all our schools?

Edward Timpson: I refer my hon. Friend to the earlier answer on this subject. At the core of this issue is ensuring that we have the highest quality PSHE possible. We continue to keep the matter under review, and will return to it shortly.

Kevin Brennan (Cardiff West) (Lab): Does the Minister agree that mindfulness can be helpful not only with the social and emotional aspects of learning but in improving the attentiveness of pupils in schools, and therefore their academic achievement as well as their personal wellbeing?

Edward Timpson: There is a small but increasing amount of evidence that backs the hon. Gentleman’s claim. That is why we want to look at this area more carefully, hence the national survey that is under way to enrich the evidence and knowledge to see what really works so that we can improve all the aspects of a child’s life to which he refers.

School Funding Formula (London)

10. Victoria Borwick (Kensington) (Con): What plans she has to ensure that reform of the school funding formula does not have a negative effect on schools in London.

The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah): I thank my hon. Friend for raising this issue and for contributing to the recent debate on education funding in London. The second stage of our consultation will detail the impact of the formula on schools. I understand the importance of giving schools stability and budget security, but in advance of that consultation it would not be appropriate to speculate on the specific impact of the formula. That would be unfair to schools and parents.

Victoria Borwick: As a long-term governor, and having visited the outstanding Bevington school in Kensington this morning, can I ask the Minister to talk about the area school cost adjustment in respect of meeting the higher costs and vulnerability of schools in London?
Mr Gyimah: My hon. Friend makes a very important point. That is why in the first stage of the consultation we propose to include an area cost adjustment in the national funding formula—an increase for schools facing extra costs from higher wages, which will be important for London schools. We have also protected the pupil premium at current pupil rates, so every school knows that they will receive that funding on top of their core budget. London receives over 20% of the whole pupil premium budget.

Wes Streeting (Ilford North) (Lab): Educational standards improved dramatically in London under the previous Labour Government, a timely reminder of the virtues of Labour winning elections. In the Minister's attempt rightly to increase funding to levels needed across the rest of the country, will he confirm that school budgets in London will not suffer, thereby setting back the enormous progress that has been made?

Mr Gyimah: The hon. Gentleman is absolutely right: educational standards and attainment have improved dramatically, in London in particular, over the past decade or so thanks to teachers, parents and pupils in London. As my right hon. Friend the Secretary of State made very clear, the purpose of the funding formula reforms is to fund need, so where there is need in London it will be funded on the same basis as need in other parts of the country.

Ruth Cadbury (Brentford and Isleworth) (Lab): Is the Minister aware that schools in my constituency in west London are already having to implement the biggest cuts to their budgets they have ever made? Will he assure the head teachers I met this morning that there will be no further cuts when fair funding comes in?

Mr Gyimah: My right hon. Friend the Secretary of State made it very clear: the core education budget of £40 billion is the highest amount ever invested in education. The State made it very clear: the core education budget of £40 billion is the highest amount ever invested in education. Will he confirm that school budgets in London will not suffer, thereby setting back the enormous progress that has been made?

The Minister for Children and Families (Edward Timpson): What plans her Department has to improve child and family social work.

Mr Gibb: How wise Sir Michael is, on this and on so much else! Raising standards is key to helping the economy grow and to improving productivity. Officials at the Department will be more than happy to hold discussions with their counterparts in the Welsh Government on how academies are raising standards. We would also be happy to discuss our education reforms over the past six years, which are raising standards and expectations in reading, writing, maths and the whole curriculum, in sharp contrast to what is happening in Wales under a Labour Administration.

GCSEs: Languages

13. Jake Berry (Rossendale and Darwen) (Con): What steps her Department is taking to increase the uptake of languages at GCSE.

The Minister for Schools (Mr Nick Gibb): The Government have acted to halt the serious decline in the number of pupils taking language GCSEs—40% of pupils in 2011 took a GCSE in modern foreign languages, down from 76% in 2000—and thanks to the EBacc, the proportion of pupils in state schools entered for a modern foreign language GCSE increased by 20% between 2011 and 2015. Our ambition is that 90% of pupils in mainstream secondary schools will enter GCSEs in EBacc subjects, including a language.

Jake Berry: The internationalist manufacturing and business base across Rossendale and Darwen needs people with modern language skills if it is to continue to compete and succeed. What steps can schools take to cooperate with local businesses, such as those in my constituency, to ensure that the menu of language skills that pupils leave school with matches business requirement?

Mr Gibb: My hon. Friend is absolutely right, and one of the key goals of the Careers and Enterprise Company is to increase that engagement with business. The CBI’s recent report found that 77% of businesses valued foreign language skills and that nearly one third rated Mandarin as a useful language.

Rob Marris (Wolverhampton South West) (Lab): Will the Minister make sure that Punjabi continues to be available at GCSE for many years to come?

Mr Gibb: Yes, I can make that commitment.

Child and Family Social Work

15. Nusrat Ghani (Wealden) (Con): What plans her Department has to improve child and family social work.

The Minister for Children and Families (Edward Timpson): Excellent social work transforms lives, which is why we are establishing a regulatory body to drive up standards and raise the quality of social work training and practice. We are attracting new talent to the profession, investing...
in high-quality training, rolling out a practice-focused career pathway and developing a new What Works centre to ensure that social workers are equipped with the best knowledge and skills for their practice. This clear strategy to improve child and family social work is set out in the children’s social care policy paper, “Putting Children First”, which I and the Secretary of State published today and by way of a written statement. I encourage all hon. Members to read it.

Nusrat Ghani: Will the Minister explain how the Department’s new graduate entry routes to social work, such as Step Up to Social Work and Frontline, and including the award-winning provision of children’s services from East Sussex County Council, have impacted the social work profession?

Edward Timpson: Step Up and Frontline are beginning to have a significant impact: more than 670 Step Up participants have qualified as social workers and more than 450 students and 103 local authorities started training this year. An evaluation of cohort 1 showed high retention, and 99 Frontline participants have now qualified as social workers. An independent evaluation in March 2016 was hugely encouraging.

Mrs Emma Lewell-Buck (South Shields) (Lab): Children can remain in foster care until they are 21, while those in residential care have to leave at 18, which creates a truly unfair system. I have organised for MPs to pledge their support tomorrow to show that we care equally about all looked-after children. Will the Minister sign the pledge?

Edward Timpson: I commend the hon. Lady for her continued and passionate commitment to this matter, based on her professional experience and desire to make a difference. If she reads the paper, “Putting Children First”, which I mentioned a few moments ago, she will find a response to a recommendation from Martin Narey’s review into residential care explaining that we will start to pilot “staying close” for children leaving care in residential care settings. This is in line with his recommendation and I am sure will be hugely welcomed.

Children: Physical Activity

16. Tom Pursglove (Corby) (Con): What discussions she has had with the Secretary of State for Health and the Secretary of State for Culture, Media and Sport on steps to achieve the Government’s aim to make children more physically active.

Edward Timpson: I have already alluded to the doubling of the PE and sport premium at primary school—we have invested more than £450 million. We are also determined to ensure that children continue to sustain participation in PE and sport as they move into secondary education. In the Government’s sports strategy, we have committed to working with the sector to better understand the barriers and issues around drop-off and to identify good practice. By knowing what works, we can be better equipped to combat the drop-off that my hon. Friend rightly mentions.

T1. [905633] Patrick Grady (Glasgow North) (SNP): If she will make a statement on her departmental responsibilities.

The Secretary of State for Education (Nicky Morgan): The Minister for Children and Families has mentioned today’s publication of “Putting Children First”, which provides much-needed reforms to children’s social care—often a much under-sung service. I am sure that colleagues will condemn tomorrow’s strike action by the National Union of Teachers, which is both unnecessary and counter-productive. It will harm children’s education, inconvenience parents and damage the profession’s reputation in the eyes of the public. Finally, I would like to send my appreciation to teachers and students across the country who will receive their key stage 2 results this week.
Patrick Grady: Following the safe and successful return of Major Tim Peake from the international space station, what plans does the Secretary of State have to work with the UK Space Agency to promote space and science, technology, engineering and mathematics education, especially among women and girls?

Nicky Morgan: The hon. Gentleman raises a really important issue, and we of course want to see more young people studying STEM subjects. My first boss in the House in the last Parliament, now Lord Willetts, told me that there were two ways to engage young people in science—space or dinosaurs.

T3. [905635] Mrs Flick Drummond (Portsmouth South) (Con): Following a rather poor Ofsted report for the local authority in Portsmouth, will the Secretary of State outline what support her Department can give to help schools in Portsmouth to become centres of excellence?

The Minister for Schools (Mr Nick Gibb): My hon. Friend is a strong promoter of educational excellence in Portsmouth. Centres of excellence in initial teacher training will be designated on the basis of criteria such as the quality of trainee teachers recruited, the quality of training courses, the outcomes for trainee teachers and training providers’ effectiveness in recruiting. We expect to confirm the schools and universities that have been designated as centres of excellence for the 2017-18 academic year when the allocation of training places is made in the autumn.

Mr Gordon Marsden (Blackpool South) (Lab): Ten days ago, we had the Government’s latest figures for apprenticeships. They showed that only one in four apprenticeships was going to young people under 19, whether it be in the number of starts or participation, and, even worse, that there were only 12,000 traineeship starts compared to 109,000 apprenticeship starts for under-19s. Does this not show that, after all the time and money Ministers have devoted to apprenticeships, and even worse, that there were only 12,000 traineeship starts compared to 109,000 apprenticeship starts for under-19s. Does this not show that, after all the time and money Ministers have devoted to apprenticeships, and, even worse, that there were only 12,000 traineeship starts compared to 109,000 apprenticeship starts for under-19s? Does this not show that, after all the time and money Ministers have devoted to apprenticeships, and, even worse, that there were only 12,000 traineeship starts compared to 109,000 apprenticeship starts for under-19s?

Mr Gibb: The process of conversion to academies will be assisted by the Department and once a school notifies the Department it wants to convert to academy status, with all the professional freedoms that that brings, there will be a named official who will help it through the process.

The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah): My hon. Friend will be aware that in the spending review, my right hon. Friend the Chancellor confirmed funding of £4,000 per pupil for post-16 education, and that remains the case. Obviously, where there are school sixth forms, reforming the national funding formula will impact on the whole school budget. I do not what to pre-empt what the consultation will say, but I am sure we can have a discussion once we have published it.

Stephen Timms (East Ham) (Lab): As the Secretary of State knows, there are already examples of academies ignoring the concerns and views of parents, and removing the requirement to have a parent-governor or parent-governors will make matters worse. The White Paper proposes that parents should be able to petition to have their academy moved from an under-performing multi-academy trust to a different MAT, will she tell us how that will work?

Nicky Morgan: I refute the first part of the right hon. Gentleman’s question. I do not know of any academies or schools that ignore parents’ concerns. As for the second part, we will make that clear when we have published the Bill. I very much hope that the right hon. Gentleman will be part of the Committee that scrutinises the “education for all” Bill.

T4. [905636] Michael Tomlinson (Mid Dorset and North Poole) (Con): Some schools and headteachers are nervous about becoming academies. I believe they need not be, but what reassurance and guidance can the Minister give them on the path to academisation?

Mr Gibb: The process of conversion to academies will be assisted by the Department and once a school notifies the Department it wants to convert to academy status, with all the professional freedoms that that brings, there will be a named official who will help it through the process.

T9. [905642] Martyn Day (Linlithgow and East Falkirk) (SNP): When research shows that six out of 10 LGBT students have experienced homophobic bullying, there is much to be done to improve life for LGBT pupils. Following her support for UK school diversity week, what plans does the Secretary of State have to ensure schools offer an LGBT-inclusive education?

Nicky Morgan: The hon. Gentleman is right to say that we must ensure that there is an absolutely inclusive education. I do not want to see any young person missing a day of education, and certainly not because they are worried about being made fun of or not being able to be who they are. The hon. Gentleman will know that I have already announced over £3 million for specific homophobic, biphobic and transphobic bullying. That is having an effect. I pay tribute to the charities who are working across the country to roll that out and I look forward to continuing to support, and to expand, that work.

T5. [905637] Caroline Ansell (Eastbourne) (Con): As my right hon. Friend knows, before coming to this place I was a teacher. Teaching colleagues have concerns, which I share, about the appointment of Amanda Spielman as the new chief inspector of Ofsted. She does not hold a teaching qualification or have classroom experience.
Does this appointment risk eroding the standing of the teaching profession and teachers' esteem and morale? What assurances can my right hon. Friend give?

Nicky Morgan: I thank my hon. Friend for her very heartfelt question. [Laughter.] Well, I do not think that the appointment of the new chief inspector is funny, but a recent shadow Education Secretary, the hon. Member for Stoke-on-Trent Central (Tristram Hunt), apparently does. Amanda Spielman has a passion for improving children's lives through education. Her work at ARK has transformed the life chances of children in some of our most disadvantaged areas.

I know parents and teachers want Ofsted to inspect in a fair, consistent and reliable way that supports improvement. The chief inspector's role is not to tell teachers how to teach or to second-guess them; it is to run Ofsted, to provide an inspectorate, to build on evidence and tell the Secretary of State what sometimes she does not want to hear. I know that Amanda Spielman will do that on behalf of teachers across the country.

Kate Green (Stretford and Urmston) (Lab): The Secretary of State will be aware of the recent report by the Traveller movement showing that Gypsy, Roma and Traveller children are four times more likely to be excluded from school than other groups, yet 100% of appeals against exclusions from Gypsy, Traveller and Roma children are successful. What action is the Secretary of State taking to address this state of affairs?

Mr Gibb: We had a group in the last Parliament to address this very issue, and we are considering how to take that work forward. It is very important that all children, regardless of their background, attend school and we do not have any lesser expectations for children from different ethnic groups. This is a particular group that is underperforming in our system and we need to do more to ensure that they attend school and achieve.

T6. [905639] Kevin Foster (Torbay) (Con): The principal of Paighton academy, Jane English, recently received a lifetime achievement award for teaching and inspiring generations of students, yet the school has been held back by having some elderly buildings that urgently need replacement. Can the Minister update me on when funding will be made available to do this?

Mr Gyimah: First, may I take this opportunity to congratulate Jane English on her lifetime achievement. She has done a tremendous job. The condition improvement fund was three times over-subscribed this year, which is why the school was unsuccessful—there were a lot of quality bids. I can give my hon. Friend the reassurance that the next fund will be opening in autumn 2016.

Mr Kevan Jones (North Durham) (Lab): Durham county council is part-way through the legal process of merging South Stanley infant and junior schools to form a primary school, but on Friday the Department issued a notice that the infant school will now be part of Greenlands junior school as a new academy, completely ignoring any consultation with local parents. How does that fit with what the Minister has said about the involvement of parents in these decisions?

Mr Gibb: That decision will have been taken after consultation. It will have been taken by the regional schools commissioner, with his local knowledge, in the best interests of pupils in that area.

T7. [905640] Rehman Chishti (Gillingham and Rainham) (Con): More schools in Medway are now being rated outstanding and good. Will the Minister join me in paying tribute to the excellent work of Councillor Mike O'Brien, the cabinet member for children's services at Medway council, who, alongside council officers, school leaders and parents, is working hard to raise standards in Medway?

Nicky Morgan: I pay tribute to the work of Councillor Mike O'Brien and I am sorry to hear that he is not well. He is a hard-working and conscientious Medway councillor who is dedicated to serving his constituents and to improving education. His nine years' experience on Medway Council and his years on Gillingham Borough Council have made him a very effective local representative. Our thoughts are with him and his family at this time.

Diana Johnson (Kingston upon Hull North) (Lab): The children of Thoresby primary school have an abundance of common sense and kindness, and I was delighted that they were awarded the National Character Award last week by the Children's Minister. Does he agree, however, that we also want to instil determination, grit and tenacity in our young people?

The Minister for Children and Families (Edward Timpson): Absolutely.

T8. [905641] Steve Double (St Austell and Newquay) (Con): I thank the Schools Minister for his recent visit to the Acorn alternative provision academy in my constituency to see the excellent work that it is doing. Does he agree that the delivery of high quality and innovative alternative provision education is vital to raising the life chances of children who find themselves in the most difficult and challenging situations? Can he update the House on the work that his Department is doing to support alternative provision across the country?

Mr Gibb: I was actually expecting a question on term-time holidays from my hon. Friend, but I am nevertheless delighted to join him in congratulating the Acorn AP academy. It is an excellent alternative provision academy with a real focus on academic achievement for vulnerable pupils. I certainly agree that outstanding alternative provision is vital, and in our education White Paper we set out reforms that will help to build a world-leading system of alternative provision. The reforms will incentivise schools to commission high-quality provision and make the schools more accountable for the outcomes of alternative provision pupils.

Mr Speaker: I can authoritatively pronounce from the Chair that the screeds written for Ministers at Education Questions are significantly longer than those written for other ministerial Question Times. That is not a compliment.

Bill Esterson (Sefton Central) (Lab): The Secretary of State was telling us earlier about her plans to support young people who leave care, whether it is foster care or
residential care. Will she tell us where the new members of staff are going to come from to support them and where the young people are going to live?

Edward Timpson: The hon. Gentleman needs to look carefully at Martin Narey’s report and at our response in the social care policy paper. This is not a question of simply expanding the current provision; we are trying to find innovative ways of supporting young people out of care that will serve them much better in the long term.

Mr Alan Mak (Havant) (Con): Ensuring that students have access to the latest technology is key to raising standards in schools. Will the Minister join me in congratulating Havant College on its pioneering partnership with Google, which ensures that every student has access to a tablet computer?

Mr Gibb: Yes, I would be delighted to join my hon. Friend in congratulating Havant Sixth Form College on harnessing the expertise and ingenuity of Google’s staff and products. The intelligent selection and use of technology in schools and colleges can be a great asset in helping to improve educational outcomes. I hope that this screed was within the time limit, Mr Speaker.

Fiona Mactaggart (Slough) (Lab): Is the Minister of State surprised to learn that when I shared his latest response to my correspondence about teacher shortages in Slough with our local headteachers, they found it cynical and said that it failed to address the real recruitment and retention problems that they face? Will he meet me and those headteachers to discuss a practical arrangement to deal with the teacher shortages in our town?

Mr Gibb: Of course I will meet the right hon. Lady and the teachers from her constituency to discuss this issue, which we take very seriously. We are competing for graduates in a strong economy, and we have recruited 15,000 more teachers since 2010. There are 456,000 teachers in the teaching profession, and 14,000 more teachers returned to teaching last year. That is a higher figure than in previous years. Teaching is still a popular profession, but we are dealing with the challenge of a very strong economy and competing in the same pool for graduates. We take this issue seriously, which is why we have very generous bursaries to attract the best graduates to teaching.

Mark Pawsey (Rugby) (Con): I was rather surprised to find that the number of children being home schooled in Warwickshire had trebled over the past three years. There are 452 such pupils in the current year. Will Secretary of State tell us what provisions exist to ensure that such children get a full and rounded education?

Nicky Morgan: We have already made it clear that we want to know more about what is happening to children who are home educated. The majority will be educated extremely well, but we believe that there is more to do on this. We also want local authorities to know when children are being withdrawn from schools in order to be home educated, and I expect further proposals to follow.

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): Last month, Baker Small gloated on social media about a win in the Special Educational Needs and Disability Tribunal. Since then further information has come to light, revealing that Baker Small is advising councils on making it harder for children to be given assessments for an education, health and care plan to help cut costs. That goes completely against the principle of the Children and Families Act 2014, which is to create a less adversarial system. Can the Minister assure me, the House, and parents of children with SEND that he is doing all that he can to end the practice, and may I ask what he is going to do about Baker Small?

Edward Timpson: Let me put on record that practices of that kind are totally unacceptable. The new tribunal arrangements that we introduced were intended to make the system less adversarial and more inclusive for parents and young people, so that we could achieve a better resolution of any problems that emerged. We will continue to watch carefully how matters develop, but the hon. Lady can be reassured that we do not accept that that practice is appropriate.

Several hon. Members rose—

Mr Speaker: Order. I am sorry, but, as usual, demand exceeds supply, and we must now move on.
EU Nationals: UK Residence

3.36 pm

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): To ask the Secretary of State for the Home Department if she will make a statement on the legal status of EU nationals residing in the United Kingdom in the event of the United Kingdom's leaving the European Union.

The Minister for Immigration (James Brokenshire): EU nationals make an invaluable contribution to our economy, our society and our daily lives. They should be assured that, as the Prime Minister and the Home Secretary have repeatedly said, there will be no immediate change in their status in the UK. The Prime Minister has made it clear that decisions on issues relating to the UK's exit will be for a new Prime Minister. I am therefore not in a position to make new policy announcements this afternoon.

The discussions that we have with the European Union to agree the arrangements for the UK's exit will undoubtedly reflect the immense contribution made by EU citizens to our economy, our NHS and our schools, and in so many other ways; but they must also secure the interests of the 1.2 million British citizens who live and work elsewhere in the EU.

The Home Secretary was clear yesterday when she said that we should seek to guarantee that the rights of both groups were protected, and that this would be best done through reciprocal discussions with the European Union as part of the negotiations to leave the EU. It has been suggested that the Government could now fully guarantee EU nationals living in the UK the right to stay, but that would be unwise without a parallel assurance from European Governments regarding British nationals living in their countries. Such a step might also have the unintended consequence of prompting EU immigration to the UK.

It is in the best interests of all for the Government to conduct detailed work on this issue, and for the new Prime Minister to decide the best way forward as quickly as possible. In the meantime, let me stress that EU nationals continue to be welcome here. We have seen some truly abhorrent hate crimes perpetrated against EU nationals in the past week or so, and we will not stand for attacks of that kind. They must be, and will be, tackled in the strongest possible terms.

EU nationals can have our full and unreserved reassurance that their right to enter and to work, study and live in the UK remains unchanged, but to pre-empt future discussions at this point would risk undermining our ability to protect the interests of EU and British citizens alike, and to secure the best outcome for both.

Ms Stuart: I hate to teach the Minister about British constitutional organisations and structures, but ours is a Cabinet Government structure. Irrespective of whether Prime Ministers decide to leave, the Cabinet can still make decisions.

May I point out to Ministers that people are not bargaining chips? It is deeply offensive to assume that this country retrospectively changes the rights of its citizens. It is a duty of Government to allow people to live their lives and to make arrangements and predictions. We have 3 million EU citizens in this country, and 1.2 million British people live in the EU. They have a right to expect the Government to make clear statements.

The Minister may have read a letter to The Sunday Telegraph in which Members of Parliament, including my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper), the hon. Member for Clacton (Mr Carswell) and the right hon. Member for Hitchin and Harpenden (Mr Lilley), Frances O'Grady of the TUC, Simon Walker of the Institute of Directors, and Sunder Katwala of British Future—the Co-op is also concerned—say that it is the duty of this Government to state clearly and unequivocally that any EU citizen here will maintain and continue to enjoy the rights that they have acquired. Anything else would represent a failure of the Government to protect their people and future obligations. The Minister may also be aware that the House of Lords is far from happy with the Government's position. Will he do the right thing now and not turn people into bargaining chips and not worry about what might happen in future but at this moment stand up and say that we honour human rights, that EU citizens have made an important and valuable contribution that will be honoured and that those who are here will continue to be here?

James Brokenshire: I entirely understand the basic premise of the right hon. Lady's point, which is that we should seek to reassure EU nationals here in the UK and British citizens in other EU countries. On that broad premise, we are not poles apart. The question is about how we achieve that objective, which raises several complex issues. She will understand that we are talking about not only the right to reside, but employment rights, the right to study, entitlement to benefits, access to public services, and the ability to be joined by family members.

This is not, as the right hon. Lady seeks to characterise it, about viewing people as bargaining chips in some way; it is about getting the best possible outcome for EU citizens who are here and for the 1.2 million British citizens who are elsewhere in the European Union. The Government are absolutely focused on getting the best possible solution through discussions with the European Union. She and other EU nationals who are here and contributing to our society can be assured that that is absolutely at the forefront of what we are seeking to achieve in the negotiations that will follow.

Damian Green (Ashford) (Con): I am sure that everyone on both sides of the House wants to see no disadvantage given either to EU citizens living in this country or to UK citizens living in other European countries. I detect the faint whiff of synthetic indignation over this entire urgent question process. What judgment has the Minister made about the best way to protect the interests of the more than 1 million British citizens living, and in many cases working, in other EU countries, so that no one is disadvantaged at the end of this process?

James Brokenshire: We need to ensure that there is an overall balance and that all the issues are given careful consideration. We have to view things in the round. That is why it would be a mistake to view this in a narrow way and to make statements now that could impede broader discussions about the position of British
nations in other European countries. That is the right approach and is precisely why the Prime Minister set out that we need to consider things very carefully.

Andrew Burnham (Leigh) (Lab): I should probably begin by declaring an interest: my wife, Marie-France, is a Dutch national and our three children are half-Dutch. So many British families are similar to ours, with relatives born in Ireland or in other EU countries. The 3 million or so EU nationals living here are the fathers and mothers, aunts and uncles, and grandmas and granddads of millions of British children. To leave any uncertainty hanging over their right to be here is tantamount to undermining family life in our country. That does not strike me as a very prime ministerial thing to do, but it is what the Home Secretary did yesterday. She said that “people who have an established life here” would be part of negotiations with Brussels. For people making a huge contribution to our society to be talked of as a bargaining chip, as was said, is insensitive to say the least. But when she adds that “nobody necessarily stays anywhere forever”, it becomes quite threatening.

I hope the Minister will go back and tell the Home Secretary that my kids would quite like their mum to stay here forever, if that’s okay with her. In retrospect, does he not accept that the Home Secretary’s comments were ill-judged? Is it not the case that people who have made a life here when it was perfectly legal for them to do so should not now have the rug pulled from under them? Furthermore, is it not entirely within the gift of the UK Government to remove this uncertainty today? Why is the Home Secretary not here today doing precisely that, rather than prioritising her leadership campaign? This is entirely a matter for the UK Government to decide, and it is this Government’s own decision to make this an issue in the negotiations. By doing so, are they not creating the conditions for the unwelcoming climate to continue, and for the rise in xenophobic and racist abuse we have seen?

Finally, does the very fact that we are having to hold this debate today not illustrate how flawed the referendum campaign was? Did people not have a right to know the answer to this crucial question before they went to vote? Sending any EU nationals home has enormous implications for families, for public services and for the economy, so why on earth did the Government instruct civil servants for families, for public services and for the economy, so why did the Government instruct civil servants to put the UK’s interests first when the interests of the EU are creating uncertainty being felt in every family. To leave any uncertainty hanging over their right to be here is tantamount to undermining family life in our country. That does not strike me as a very prime ministerial thing to do, but it is what the Home Secretary did yesterday. She said that “people who have an established life here” would be part of negotiations with Brussels. For people making a huge contribution to our society to be talked of as a bargaining chip, as was said, is insensitive to say the least. But when she adds that “nobody necessarily stays anywhere forever”, it becomes quite threatening.

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James Brokenshire: If anything was ill-judged, I think the right hon. Gentleman’s comments were and the manner in which he approached his contribution this afternoon. I have been clear that there is no concept of bargaining chips or viewing people in that way. I have been clear on the contribution I see EU citizens making to our country, now and in the future, which is why it will be a part of that negotiation as we look towards a positive future for our country outside the EU. It would not be responsible to the British people to do so without due regard to the implications of Brexit. I hope the Minister will go back and tell the Home Secretary that my kids would quite like their mum to stay here forever, if that’s okay with her. In retrospect, does he not accept that the Home Secretary’s comments were ill-judged? Is it not the case that people who have made a life here when it was perfectly legal for them to do so should not now have the rug pulled from under them? Furthermore, is it not entirely within the gift of the UK Government to remove this uncertainty today? Why is the Home Secretary not here today doing precisely that, rather than prioritising her leadership campaign? This is entirely a matter for the UK Government to decide, and it is this Government’s own decision to make this an issue in the negotiations. By doing so, are they not creating the conditions for the unwelcoming climate to continue, and for the rise in xenophobic and racist abuse we have seen?

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Actions speak louder than words. Why is the Home Secretary not here today to give the sort of reassurance that one might have expected in the light of that election pitch? What could be more important than her coming to this House to give that reassurance?

At the opening of the Scottish Parliament on Saturday, the First Minister said:

“We are one Scotland and we are simply home to all of those who have chosen to live here. That is who and what we are.”

Will the Minister reconsider, follow the First Minister’s example, and offer such reassurance for the whole of the United Kingdom? If he is not prepared to do that, will he clarify today in what circumstances he thinks it would be appropriate to remove the rights of EU citizens already living here?

James Brokenshire: The hon. and learned Lady has rightly highlighted that there were and will be a range of issues that need to be addressed, and obviously this is one of them. It was a consequence of the decision to leave the European Union; it was not shied away from and was clear in advance of the referendum. She makes her point in a clear and concise way. To come to her broader point, we want to get to a position where we can tell EU nationals who live in the UK that everything will be fine, that we can see them continuing here. I reverse the approach and take it from that standpoint. That is the approach that we will take as we look towards those negotiations and those EU discussions.

Several hon. Members rose—

Mr Speaker: Order. If I am to accommodate most colleagues, there will be a premium upon brevity, to be exemplified by the right hon. Member for Brentwood and Ongar (Sir Eric Pickles).

Sir Eric Pickles (Brentwood and Ongar) (Con): The hyperbole and the overstatement from the Opposition Benches will do much to frighten EU nationals in this country, more so than anything that has been said from the Front Bench. But there is an urgency to giving a clear message on the matter. EU citizens are among our top surgeons, our top consultants, our top anaesthetists. They are among our top engineers and our top architects. These are people who can work anywhere in the world and we need to be very clear that we want them here, as part of our economy.

James Brokenshire: I recognise the contribution made by all the people my right hon. Friend mentioned to our economy and also, as I said, to schools, the health service and so many other parts of our communities. I stress again that there is no change to their status now. We have to approach the discussions and focus on how we get the best possible outcome for them as well as for our own citizens, and that is what we will do.

Edward Miliband (Doncaster North) (Lab): Is it not obvious that the forced deportation of millions of EU citizens is something that no sane or fair Government would contemplate doing? Given that no Government would do it, all we see from the Minister is that the Home Secretary has an incredible “negotiating position” and is causing untold fear and misery for many people in our country. It is time the Government gave clarity on this issue.

James Brokenshire: I am sorry, but I entirely reject the assertions the right hon. Gentleman makes. We have been very clear on confronting the division in our society, and in actually doing the work and setting out the best possible outcome for EU citizens, as well as British citizens, and that is the job we will get on with.

Mr Andrew Tyrie (Chichester) (Con): I was glad to hear a moment ago, in one response from the Minister, that foreign residents are not to be treated as pawns in the negotiations, but I have to say that that was not the impression I had from his opening statement. Protecting their rights is the only ethical position that can now be taken. What is more, the longer the uncertainty about this question persists, as my right hon. Friend the Member for Brentwood and Ongar (Sir Eric Pickles) pointed out, the greater the risk of the economic downturn and the economic consequences. The Minister has been sent to do a holding operation today. Will he now take back from this urgent question debate the clear message that waiting until 9 September or beyond is simply not a realistic option and that the best thing to do now is to just get on with granting these rights?

James Brokenshire: I note my right hon. Friend’s contribution, and I would reassert the comments I made about people not being bargaining chips. We are talking about people’s lives here, and we fully appreciate and recognise the personal significance that this has. I do say to him, though, that it is appropriate that we look at this in the round, with all the complexities and all the unintended consequence that might arise from making statements now. It is appropriate to consider it in that way and to get the best outcome.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): There are unintended consequences in not making a statement now and allowing this issue to drift. There are children in schools, whose parents are French or Polish, who are in tears because they fear that they may have to leave. Extremists are exploiting this for “Go home” campaigns and repatriation campaigns that are vile, and the Home Secretary is just giving them succour. The Minister has been sent out here to waffle, while the Home Secretary, once again, has gone to ground on something that she could sort right now. Parliament is sovereign; we could sort this before the recess. Why do we not have a motion through this Parliament, which every one of us could sign up to and support, to say we will respect people’s rights if they are settled here and contributing to our country already? That is the fair thing to do.

James Brokenshire: We do have the certainty of knowing that there will be no immediate change, so people should not be fearful. Equally, others should not try to stoke up anxieties in the way that, I think, has been done in some contributions. It is important that we get this right and that people can continue in the way that they have done. Again, this process of leaving the EU is likely to take a number of years, and there will be no change while we remain a member of the European Union. People need to have that confidence and certainty. We will certainly confront any division, any hatred and any racism that we see, and the police are already taking action on that.
Crispin Blunt (Reigate) (Con): While I understand the immediate logic of my right hon. Friend’s position, he does need to understand that our partners are not going to be in a position to make a reciprocal commitment, because 27 nations have to agree a position in the negotiations. This is an area in which the uncertainty needs to be brought to an end as soon as possible. Since it is inconceivable that we would not grant retrospective rights, should we not get on with it immediately?

James Brokenshire: My hon. Friend is right in saying that it is important that we look at the reciprocal rights and at how we do this at an EU level, rather than with individual member states. I think that is the right approach to take. However, it is important to view this in the round, viewing the role and responsibilities of British citizens who are in other European countries, and ensuring that the actions we take do not have unintended consequences for them.

Dr Philippa Whitford (Central Ayrshire) (SNP): I find it hard to comprehend: the Minister keeps talking about not using EU citizens as bargaining chips, but then talks as if that is exactly what he is going to do. I also have to declare an interest: my husband is German, he has been a GP in this country for 30 years and, along with others in the community, he is anxious. The Minister says there will not be an answer for several years. In what way should people feel reassured? We caused the problem; we should set the example, and then other countries will respond in kind—just give them the reassurance.

James Brokenshire: I commend and congratulate the hon. Lady’s husband on the contribution he has made to the NHS, as have so many other EU nationals. Again, it is important to underline the fact that EU nationals who have been exercising treaty rights for a period of five years are entitled to permanent residence under existing rules. That is why we need a calm approach to these issues, underlining the existing arrangements that EU citizens will continue to benefit from, as well as looking at what those arrangements will need to be in future. That is where the negotiation plays such an essential part.

Mr Christopher Chope (Christchurch) (Con): Is not my right hon. Friend making a bit of a meal of this? Why do we not just do what this House clearly wants to do—to grant the rights to these people? Could not that be implemented very quickly if we repealed the European Communities Act 1972? Does he not accept responsibility for gross negligence in not having any contingency plans?

James Brokenshire: I am afraid that there are significant legal complexities glossed over by my hon. Friend in outlining those solutions. A range of quite complex, multi-faceted issues arise. I have already highlighted things like benefit rights, access to public services, and employment rights, and there are others as well. It is not as simple as some have set it out to be. That is why we need to work through this carefully to get the best outcome.

Ms Karen Buck (Westminster North) (Lab): There are 36,000 EU passport holders in the London borough of Westminster—almost one in eight of the population. This week I have been flooded by emails from people concerned about the jobs they do, the businesses they run, and the future of their children’s education. Does the Minister understand that “not immediately” is simply not good enough? People are making decisions about their lives, their businesses and their children: they need reassurance, and they need it now.

James Brokenshire: Of course I understand the points that the hon. Lady very fairly makes. That is precisely why this needs to be a priority as part of those discussions with our European partners, so that there is certainty for their citizens here, as well as our citizens in those member states.

Kit Malthouse (North West Hampshire) (Con): Does the Minister agree that we should hold ourselves to a higher moral standard than trading off one group of immigrants against another, and immediately unilaterally declare a new immigration status of EU-acquired rights that would give people the right to reside here if they had been here for less than five years, at the same time as advertising to those who have been here for longer than five years that they now automatically have the right of permanent residence, so that as many of them as possible can avail themselves of that right?

James Brokenshire: I have already, in response to an earlier question, explained the position in relation to permanent residence. Those rights are there. Obviously we will retain and respect all existing rights while we remain a member of the European Union. My hon. Friend makes a number of points about potential solutions. Ultimately, that will be a matter for the next Prime Minister.

Tom Brake (Carshalton and Wallington) (LD): Will the Minister join me in condemning Lord Pearson, who has said, “it is we who hold the stronger hand if we retaliate, because so many more of them”—“them” being EU citizens—“are living here”?—[Official Report, House of Lords, 29 June 2016; Vol. 773, c. 1563.]

For two specific categories—the 10,000 EU doctors, just under 10% of the staff, who work in the NHS, and EU students who have just embarked on their studies—can the Minister give any guarantees that they will be able to continue?

James Brokenshire: On the right hon. Gentleman’s first point, I entirely agree—those comments are simply not acceptable. On his second point, yes, we know that about 50,000 EU citizens are working within the NHS. The contribution that they make is absolutely essential. I underline the points that I have made about the certainty that they have now in relation to existing EU rights, and working towards a position where we can give clarity moving forward.
Dr Sarah Wollaston (Totnes) (Con): Some 55,000 members of our NHS workforce qualified elsewhere in the European Union, as did 80,000 members of our equally valued care sector. They need security, not just now, but in the long term, because the workforce crisis is one of the biggest challenges facing the NHS. In addition to welcoming the extraordinarily valuable contribution that those people make to our health and care sector, will the Minister take back the clearest possible message from this House that we need long-term security now?

James Brokenshire: I am grateful to my hon. Friend. Friend for underlining the contribution that EU and other citizens make in providing care in the NHS and in the care sector for our elderly. Obviously, as part of the negotiations, we want to ensure that there is an assurance. It exists now—I stress that again—but I acknowledge the priority she has given to it.

Mike Gapes (Ilford South) (Lab/Co-op): My right hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) led the campaign that got us into this mess. May I take up with the Minister something he said about the British people living in other European countries? I declare an interest as president of Labour International. We have heard from lots of people who live in Spain and elsewhere who are very concerned about their future. Can the Minister end the uncertainty for those British people—many of whom could not vote in the referendum because they have been abroad for longer than 15 years—that they will not be forced out of Spain, France or elsewhere, by ensuring that the British Government make a quick, early statement on security for citizens of those countries here?

James Brokenshire: The hon. Gentleman makes his point well on the bigger implications and broader issues that we absolutely have to acknowledge in making decisions. That is why we need to act with care, consideration and thought, to ensure that we consider the rights not only of those from the EU who are here, but of British citizens overseas, who will be feeling equally uncertain. We need to think about both in our discussions.

Mrs Anne Main (St Albans) (Con): As the right hon. Member for Birmingham, Edgbaston (Ms Stuart), who asked the urgent question, will know, nobody on the official leave campaign raised the prospect of sending people away and deporting people. The issue has been raised by the Home Secretary and it is a catastrophic error of judgment for someone who wishes to lead this country even to suggest that those people who are here legally, who are working and who have families and are settled, should be part of the negotiations. She has made a big error of judgment and that message needs to go back to the Home Secretary today.

James Brokenshire: I am very sorry, but I think that my hon. Friend has completely mischaracterised what the Home Secretary said. She was merely saying that the British people who are here have already highlighted this afternoon. That is the appropriate response. As the Prime Minister has said, we need to look at the issue very carefully and it will be for the next Prime Minister to act.

Caroline Lucas (Brighton, Pavilion) (Green): On exactly that point, can the Minister explain how it can possibly be likely to prejudice the rights of UK nationals in the EU if we do the right thing—if we do the moral thing—and uphold basic human rights by extending the rights of EU nationals here? Does he recognise how out of touch he is on this issue, and will he take that message back to the Home Secretary in no uncertain terms?

James Brokenshire: Of course, I understand the point that the hon. Lady makes about wanting to act. We need to be careful about the unintended consequences and other implications of things that we do now, up front, to ensure that we get the best possible outcome for British citizens overseas. It is about looking at this in the round to achieve the best outcome. I think she and I both agree on that, but we differ on how we should go about it.

David Rutley (Macclesfield) (Con): I understand the concerns that have been expressed today. My mother is a Danish national who has lived in the UK for more than 50 years. My right hon. Friend has set out that there are complexities here. However, can he reassure the House that this is an urgent priority and that plans...
James Brokenshire: Yes, I can. My hon. Friend makes reference to the new unit that has been established, and this is certainly seen as an early item in that work.

Fiona Mactaggart (Slough) (Lab): Is the Minister aware that his remarks and the remarks of the Home Secretary have created real insecurity among a number of people, who are now seeking to become British and who are perfectly qualified for British citizenship? The Minister is about to make hundreds of thousands of pounds of profit from those applications. What is he going to do right now to cut the cost of becoming British, or at least to make it happen faster and more efficiently, for the many European citizens who will become British because they are so unsure of their own future?

James Brokenshire: I do not accept that my comments or the comments of the Home Secretary have in any way added to the uncertainty that the right hon. Lady has pointed to. The Prime Minister said clearly that nothing changes while we remain a member of the European Union. Obviously, we need to make decisions for the future, and that will be for the next Prime Minister.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): Interestingly, throughout the referendum campaign the Government did not indicate what their position would be on the matter. Since the result, they have demonstrated nothing other than that they are completely unprepared for this and every other issue. EU nationals are part of our communities, and our children share classrooms and friendships with them. The Secretary of State for Education stated in an answer to oral questions just before this urgent question that she believes that EU nationals and their children should be allowed to remain in this country. Does the Minister agree with his colleague?

James Brokenshire: As I have indicated, I believe that we need to work to make sure that people who are here can stay in the UK. Securing that needs to be part of the negotiations. That is part of those discussions, as is the position of British nationals overseas.

Mr David Hanson (Delyn) (Lab): The Minister's statement condemns large numbers of constituents of mine who are married to foreign nationals, expecting children with foreign nationals or employed in factories here and abroad with foreign nationals to great uncertainty. If he will not accept the will of the House today, will he give a clearer indication of the timescale than simply, “It is a matter for the next Prime Minister”?

James Brokenshire: The right hon. Gentleman will know that there are a number of issues that flow through from the decision that has been made for the UK to leave the European Union, and this is but one of them. I entirely recognise the points that he and others have made, but this is how we are able to get the best outcome for European citizens here and British nationals overseas, and therefore it is part of our detailed, considered work. As I have indicated, it is certainly a priority aspect of that work.

Douglas Chapman (Dunfermline and West Fife) (SNP): What does the Minister say to my constituent Teodora Bokonyi, one of the 1,183 EU nationals to whom I wrote last week, who is in full-time education in Scotland and has two years of study left before she gains her degree? What pre-Brexit legal advice was sought by the Government, and will he share that advice, so that I can advise my constituent on how best to be safe and secure in following her studies in the UK?

James Brokenshire: I wish the hon. Gentleman’s constituent well with her studies, which should continue, and she should have no fears in relation to the current situation, as I have highlighted. We do not share legal advice. That has been the well-founded position of many Governments over the years. I want to assure people that nothing is changing now and the process could take a number of years. I wish her well with her studies in Scotland.

Andy Slaughter (Hammersmith) (Lab): Thank you very much, Mr Speaker, for granting this urgent question, although it is somewhat bizarre to see the Brexiteers on both sides of the House weeping crocodile tears. What am I to tell the 15% of my constituents who are EU nationals, hundreds of whom have written to me to express their dismay and, given the racist attacks like that on the Polish centre in Hammersmith, fear? Many of them are thinking of going to another country. If they do, it will be we, not they, who are the poorer for it. We need certainty, and we need it now.

James Brokenshire: I utterly condemn attacks on any citizens in this country as a consequence of their nationality, faith, creed or colour. They are completely unacceptable and do not represent the country that I or this Government believe in. This House has unequivocally condemned such actions. There have been ministerial visits to the Polish centre. I recognise the points that the hon. Gentleman makes. Clearly, nothing is changing now and it is the negotiations that will provide the ultimate certainty. We want to ensure that the UK remains an open and attractive place for people to come to, to live, work and study. For my part, that is the approach that I will continue to advocate.

Brendan O’Hara (Argyll and Bute) (SNP): In the disgraceful absence of the Home Secretary, can the Minister offer any reassurance beyond “not immediately” to my constituent, Alex Westley, and his French-born wife, Morgan, who fear that her long-term future in the UK cannot be guaranteed? Morgan came to Scotland in good faith. She has built a life here and is contributing to Scottish society. Surely, common decency dictates that she and the millions like her deserve guarantees of their long-term security?

James Brokenshire: I entirely understand the point the hon. Gentleman makes and the assurance he seeks. Nothing will change immediately, as the Prime Minister has stated clearly. I want us to get to the position where EU nationals who are already here can stay in Britain, but that needs to be part of the negotiation.
Kate Green (Stretford and Urmston) (Lab): Yesterday, I was stopped in the street by a constituent who is an EU national whose children were born here. The family are from Denmark, but the children do not speak a word of Danish and the older child is due to start school next term. Does the Minister understand that the Government have an obligation to uphold the best interests and welfare of children and that this uncertainty is putting parents in an impossible position?

James Brokenshire: As I have said in response to other questions, I understand the position we face as a consequence of the UK’s decision to leave the EU. As I have indicated, no immediate changes will happen while we remain an EU member state. Clearly, we want to be in a position to give the guarantees that the hon. Lady’s constituent seeks. That will be a core part of the negotiations that will follow.

Wes Streeting (Ilford North) (Lab): In a written parliamentary question in January, I asked the Home Secretary to outline the contingency plans her Department was making for a leave vote. In the reply, the Minister gave no assurances. Is it not clear that on this issue, as with every question thrown up by the leave vote, the Government have done absolutely no contingency planning? The consequence in this instance is that people who are making decisions about their education, their jobs and their families have no assurances whatsoever from the Government. Is the Minister not ashamed of that position, and does it not reflect the cavalier approach of this Government since they were elected last year?

James Brokenshire: No. I do not accept the characterisation that the hon. Gentleman seeks to proffer. I say to him very clearly that the security and guarantees that he and his constituents may be seeking require the positive outcome of the negotiations with the European Union. That is the absolute focus of this Government with the establishment of the new unit in the Cabinet Office. It will be for the new Prime Minister to take that forward.

Steven Paterson (Stirling) (SNP): Since this Government have shown themselves to be woefully inadequate in setting the right policy and doing the right thing by EU nationals, will the Minister consider devolving these powers to Scotland, which has a Government who can lead and will do the right thing?

James Brokenshire: No.

Tristram Hunt (Stoke-on-Trent Central) (Lab): Following on from the question from the hon. Member for Ochil and South Perthshire (Ms Ahmed-Sheikh), can we be clear that the Secretary of State for Education confirmed at the Dispatch Box that the children of all EU nationals would continue to be educated in British schools? Will the Minister tell us whether that will go up to the age of 18, or 21, or does he not have clue, as with the rest of his answers?

James Brokenshire: The Secretary of State for Education made her comments this afternoon and clearly he will need to direct further comments to the Department.

Tristram Hunt: You’re part of the same Government!

Mr Speaker: Order. Members are in a very excitable state. [Interruption.] Normally, the hon. Member for Stoke-on-Trent Central is a very cerebral and well behaved fellow. He must take some sort of soothing medicament, because I am sure he wants to listen to his hon. Friend the Member for Denton and Reddish (Andrew Gwynne).

Andrew Gwynne (Denton and Reddish) (Lab): It is frankly unbelievable that no contingency planning has taken place in respect of a leave vote, not just on EU citizens living and working in the UK but on UK nationals living and working in other EU member states. Given that those people are disproportionately older and retired, and EU citizens living and working the UK tend to be younger, in work and paying tax to the Exchequer, what kind of bargaining chip does the Minister think he has?

James Brokenshire: This is not a question of bargaining chips at all, as I have said very clearly throughout my contributions this afternoon; rather, it is about looking at this issue in the round, with all the implications there are. It is not right to suggest that every EU national here fits the categories that the hon. Gentleman described. We have the self-employed, those who are employed, retained workers of self-employed persons, those who are retired, jobseekers, students, the self-sufficient and family members. These are complex issues that require careful consideration. That is what we need to do.

Stuart Blair Donaldson (West Aberdeenshire and Kincardine) (SNP): If the Government are unwilling to guarantee the future of EU nationals living here, what assessment have they made of the impact on public services of the exodus of EU nationals and the potential return of hundreds of thousands of retirees from abroad?

James Brokenshire: As I have already indicated, we want to be in a position in which EU nationals who are already here can stay in Britain. As I have already made clear, there is no change to the current arrangements or situation. We want to work quickly to see that these issues are resolved, but I again repeat that that needs to be part of the negotiations.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): May I put on the record my absolute disappointment with the Minister’s statement today? On an issue that appears to command consensus among those who campaigned both for leave and for remain, it beggars belief that the Home Secretary yesterday and the Minister today cannot give the reassurance that the millions of people in this country need that they can stay here and have the rights that they deserve, and it is notable that not one Member of this House has so far agreed with the Government’s position. These people are our teachers, our doctors, our entrepreneurs; they are also our taxpayers. They deserve that reassurance. The tone the Minister would then send to other European nations would in my view be the kind of tone we need to keep relations with our allies and protect the rights of our British citizens abroad.

James Brokenshire: I absolutely appreciate and recognise the huge contribution that EU citizens make to our economy and in so many other different ways. They enrich our country. There are difficult challenges to face
now as a consequence of the decision that has been taken for the UK to leave the European Union. I have been very clear, as has the Prime Minister, that EU nationals’ rights remain unchanged while we remain a member of the European Union. Clearly, we are working to ensure that the negotiations are successful in giving those guarantees to ensure that those who are here are able to stay.

Tommy Sheppard (Edinburgh East) (SNP): The Minister keeps evading our inquiries on the whereabouts of his boss. What is so important that the Home Secretary cannot attend this urgent question, which in large part has been occasioned by her comments to the press? Does the Minister understand that many thousands of our fellow citizens are fearful and anxious for their future and that his procrastination serves only to fuel rather than to allay that anxiety?

James Brokenshire: I respond to issues relating to migration and our immigration system, so it is entirely appropriate for me to respond to this urgent question. I note and appreciate the hon. Gentleman’s point about uncertainty for European citizens in the UK, as well as for British citizens overseas. That is why I have been clear that there are no immediate changes. I have sought to give that assurance, and it is unfortunate that many contributions have sought to stoke up some of those uncertainties, when the Government have been providing clarity and assurance on the process that will need to take place to give the sort of comfort that the hon. Gentleman seeks.

Alan Brown (Kilmarnock and Loudoun) (SNP): The right hon. Member for Birmingham, Edgbaston (Ms Stuart) has a brass neck for bringing this urgent question to the House, and the Minister has a brass neck for saying that EU citizens will not be used as bargaining chips, because that is exactly what he is doing. His boss, the Home Secretary, has a brass neck for making comments and then not coming to the House. I have continually heard the phrase “strong government”, so will the Minister find the strength to find his boss, do the right thing and make a decision for EU citizens?

James Brokenshire: The hon. Gentleman makes his point in his own way, and I will make mine in my own way. We recognise and respect the contribution that EU citizens make in the UK, and equally we must ensure that the rights of British citizens overseas are protected. We will take that combined approach to get the best possible outcome for both.

John McDonnell (Hayes and Harlington) (Lab) (Urgent Question): To ask the Chancellor of the Exchequer if he will make a statement on proposals regarding the Government’s surplus target and plans to further cut corporation tax.

The First Secretary of State and Chancellor of the Exchequer (Mr George Osborne): In the past week, I have sought to be realistic with the British people about the economic challenges we now face but to mix that realism with reassurance that we can rise to those challenges. The financial contingency plans that the Governor of the Bank of England and I put in place have proved effective to date. Financial markets have adjusted, but I can report today that, although we remain vigilant, they have shown no signs of disorder. We must now respond to developments in the real economy, which will require a supreme national effort.

First, we must look to support demand and ensure that credit flows freely in our economy. The Governor of the Bank of England said on Friday that “some monetary policy easing will likely be required over the summer”.

Thanks to the reforms that I introduced, the independent Bank of England has the tools that it needs to act against the cycle and support lending in the economy. The Financial Policy Committee will publish its decisions tomorrow, and we stand ready in the Treasury to act in concert with the Bank of England should more need to be done to support funding for lending.

The second part of our national effort must be to maintain Britain’s fiscal credibility. Eight years ago, people questioned Britain’s ability to pay its way in the world; eight years later, British giltts are seen as a safe haven and funding costs have fallen to record lows. We should maintain the fiscal consolidation measures that we have announced. However, our rules were always explicit that, in the face of what the fiscal charter calls a “significant negative shock”, we should allow the automatic stabilisers to operate, and with the consensus of economic forecasters now lowering the forecast growth for the UK next year—from close to 2% before the referendum to 0.4% now—that is what we will do. We must be realistic that the target for a surplus is unlikely to be achieved in 2019-20. The Office for Budget Responsibility will conduct a formal assessment when it produces a new independent forecast in the autumn, and then we will have a clear idea of what additional measures are required to maintain fiscal credibility.

Thirdly, we need to broadcast loud and clear the message that Britain remains the best place in the world to do business. In the past six years, we have reduced Britain’s corporation tax rate from 28% to 20% today, and 17% in the future. I did that at the same time as taking difficult decisions elsewhere to balance the books. In my view, the strongest signal we could send to the world that Britain, after the referendum, is open to the world and ready to do business would be to cut corporation tax still further. We should aim for a rate of 15% and preferably lower, because if we are pro-business, we are pro-jobs, pro-living standards and pro-working people.
Fourthly, the referendum result revealed a deep-seated feeling of disfranchisement in too many of our communities, especially in the midlands and the north of England. As I said in Manchester on Friday, the northern powerhouse is the right response and we need to redouble our efforts with elected mayors and new transport infrastructure. In my view, once both parties have determined who their leader should be, we should then get on and build a new runway in the south-east of England, because we cannot be open to the world if we cannot fly there.

Fifthly and finally, while we must seek with our European neighbours the best possible terms of trade in goods and services, including financial services, now is the time also to redouble our efforts to promote trade with the rest of the world. I have spoken to my US counterparts. Later this month, I will be travelling to China to build on that important new partnership.

To conclude, this is a blueprint to meet our economic challenge. Nothing positive will come from looking back in anger. We must lift our eyes to the horizon ahead and make the best of what is to come.

**John McDonnell:** I would like to thank the Chancellor for his response. I think it is important that, as in the Opposition day debate last week, we set the tone of our response at the level of the national interest and take care to avoid making any statements that would adversely impact on fragile markets.

I have to say, however, that a lack of planning for a leave vote is becoming evident across all policy areas. Instead of a clear plan of action, we have so far had a series of ad hoc statements and announcements, including the grateful abandonment of the “Brexit Budget”, which was to increase the sharply the level of austerity being applied. The fiscal surplus target has been abandoned and today the Chancellor has announced planned reductions in the headline rate of corporation tax.

Rather than ad hoc announcements, we need a framework for economic decision making. Previously, the Government sought to do that with the fiscal charter, which was passed into law last autumn despite Labour opposition. May I ask the Chancellor now, since he is no longer pursuing the fiscal surplus target, if the charter is also to be abandoned? Will he be putting a motion to repeal the law before this House? Will he be seeking to place a new fiscal rule on a similar basis in legislation?

The Chancellor has announced today that he will redouble his efforts to invest in the northern powerhouse. Of course the details of that are to be decided, but will he tell the House when he expects to have a detailed programme of investment? What scale of investment should we expect? What areas, and how focused will that investment be? Does he now agree with Labour and the Secretary of State for Work and Pensions, that a major programme of Government investment is urgently needed? Does he agree with the Home Secretary’s decision not to give a guarantee to existing EU nationals living and working in this country? What will be the economic effects of that? Will he therefore give a more detailed statement to the House on the economic consequences of this decision?

The Chancellor has promised that, while seeking to boost investment, he will be maintaining “the consolidation that we put in place last year.”

May I ask him for some clarification on this point? Is he now ruling out any further or additional consolidation in light of the leave vote? Regarding the planned cuts to the headline rate of corporation tax, the news has not been well-received by our international partners. Pascal Lamy of the World Trade Organisation has accused the Chancellor of “tax dumping”. He also highlights the risk to future negotiations with the EU.

I want to raise three critical questions on this issue. The Chancellor’s Budget this year suggested that his one percentage point reduction in the headline corporation tax rate will reduce expected revenues by about £1 billion. Does the Chancellor still hold to that estimate? How will the Chancellor pay for any losses in tax revenues from the proposed corporation tax cuts? Who will pay? The evidence from existing cuts to corporation tax is not favourable. Despite year-on-year reductions in the headline rate to the lowest rate in the G7, business investment remains low by G7 standards and has now fallen for two consecutive quarters.

Businesses are sitting on a cash pile of at least £500 billion yet are failing to invest. What assessment has the Chancellor made that a dramatic reduction in the corporation tax rate will have the desired effect on business investment, given the absence of evidence so far?

Finally, we know that the circumstances after the leave vote will be trying and that major forecasters now anticipate the UK possibly entering a recession over the next year. The Chancellor’s fiscal approach has failed and has been steadily abandoned. In the interests of the country, will he now commit to adopting a fiscal approach that allows the flexibility to invest while maintaining fiscal discipline, as the Opposition and now some on his own side are urging?

**Mr Osborne:** When I became Chancellor, there was a question mark over Britain’s ability to pay its way in the world, and that was reflected in our bond yields, but because of our determined effort over the last six years, when we have hit an economic shock, as we have done in the last two weeks, the response has been a fall in bond yields—because people have confidence in the UK.

First on planning, extensive contingency plans were in place to deal with financial market disorder as a result of a leave vote, and the fact that we are not debating that today shows that those plans have been effective—we remain vigilant, but those plans were in place. Secondly, we must now decide on the new model of our relationship with the EU. That was not on the ballot paper and has to be a decision for Parliament. We set out the options for the country in advance of the referendum debate, and now we must have that discussion.

Thirdly on planning, the fiscal charter specifically provides for the impact of a negative shock, which is what we have had, and as a result the rules of the charter apply. As I say, it is unlikely that the surplus will be achieved in 2019-20—although that will be for the OBR formally to assess—and it will then be up to the Chancellor to produce new plans to restore the public finances to surplus and for Parliament to vote on them.

We thought about that in advance: it is in the charter that the House voted on.
The hon. Gentleman talked about investment. On Friday, I met the Labour leader of Manchester City Council, Richard Leese. We talked about how we could redouble our efforts to invest in transport across the Pennines and about devolved powers for mayors and the like. That will be part of our response to the disfranchisement that too many of our citizens in the midlands and the north of England have clearly felt.

Finally, the hon. Gentleman also asked about business confidence and the corporation tax cuts. Not only have our corporation tax cuts given us the lowest corporation tax rate of all the advanced economies of the world, but we have seen a 20% increase in receipts from corporation tax—because businesses are coming to this country, growing their businesses in this country and employing 2 million people. The best response we can send to the world to show that we are open for business is to go on reducing business tax.

Mr Andrew Tyrie (Chichester) (Con): The Chancellor has done the right thing to buttress the decisions of the Bank on monetary policy with fiscal measures, particularly by allowing the automatic stabilisers to kick in. The 2020 fiscal surplus target was always likely to be a casualty at the first sound of Brexit gunfire, and so it has proved—hence the need to take advantage of the charter’s flexibility. Does he agree, that in order most effectively to bolster credibility in the coming years, over the next few months we need to develop a rule that sets fiscal policy in a longer-term framework and which is resilient to changes in the OBR’s short-term forecasts?

Mr Osborne: It is clearly likely that we will be impacted by a cyclical downturn in the public finances—we can already see the growth forecasts being adjusted. The OBR will help us to make an assessment of the referendum result’s structural impact on the public finances and our chances of hitting the target—as I say, it looks unlikely that we will hit it—and then, under the fiscal charter, it will be up to the Government to produce a plan that will be debated and voted on by the House. We have provided for this contingency, and now we need to let the OBR do its work.

Stewart Hosie (Dundee East) (SNP): I welcome what the Chancellor said about possible monetary policy easing from the Bank, about the automatic stabilisers and, in particular, about export promotion—we hope that that will be matched by a U-turn on the cuts to the UK Trade & Investment’s export promotion budget.

In general terms, we welcome the U-turn on the arbitrary fiscal surplus rule, which, we should remember, planned to cut more than £40 billion a year and was required to run a balanced current account budget. While we support tax competition and recognise that corporation tax cuts might be a useful tool in the fight against capital flight in the aftermath of the appalling Brexit decision, it is also true if we look at the 2016 Red Book numbers as a guide, that a substantial cut in corporation tax—say, 5%—could, in the absence of behavioural change, lead to a reduction of revenue yield of about £2.5 billion a year. I ask the Chancellor one question in particular. Given that he has abandoned his fiscal rule, will he today rule out any plans to claw back potential losses in revenue yield from the cut in corporation tax, in the absence of behavioural change, through the mechanism of further attacks on the welfare budget?

Mr Osborne: First, as a result of the reforms we have made over the last six years, the Bank of England has many more tools at its disposal than it did in the financial crash. Obviously, it can act on monetary policy consistent with its inflation target. The Governor of the Bank of England, speaking in a personal capacity as a member of Monetary Policy Committee, said that easing was likely to be required. A number of other tools, including counter-cyclical financial tools, are available, which means that there is a range of options to deploy. Over the coming weeks, we will hear whether, how and why the Bank of England, which is independent in its decision making, needs to deploy those tools.

I am rather disappointed that the SNP spokesman has not reminded us that it was SNP policy to cut corporation tax. Indeed, that has been its policy for year after year. In the independence referendum, the SNP said that one of the benefits of independence was the ability to cut corporation tax. The great thing about being in the United Kingdom is that the SNP can get corporation tax cuts in any case.

Mr Christopher Chope (Christchurch) (Con): When did my right hon. Friend decide that he was not going to introduce an emergency Brexit Budget to penalise the people who voted leave?

Mr Osborne: We have to be realistic about the economic shock that the referendum result has created, which is acknowledged not just by the Bank Governor but by many independent forecasters—it is reflected in the financial markets. It will have an impact on the public finances, which will partly be cyclical, but also partly structural. In the end, a structural deficit—my hon. Friend, who is a good fiscal conservative, will know this—needs to be addressed through either reduced spending or higher taxes over time. Obviously, as a Conservative, I tend to look at the spending solution rather than the tax one, but that is what happens when there is a structural deficit, as we know to our cost in this country. Let us wait for the OBR to make its assessment in the autumn, then we can collectively decide how to proceed.

Rachel Reeves (Leeds West) (Lab): The OBR says that cuts in corporation tax have so far had no discernible impact on either business investment or growth. Indeed, in the latest forecast, despite cuts to corporation tax, business investment was revised down. I urge the Chancellor to look instead at helping small businesses or investing in infrastructure rather than going ahead with further cuts in corporation tax, which so far seem to have made no difference.

Mr Osborne: I am all for supporting small businesses, which is why we have a package of rates relief in the Budget. I am all for making the big transport investments, which this country has, frankly, not done for a generation. That is why I support High Speed 2 and indeed High Speed 3, as well as a new runway in the south-east of England.
The OBR has revised up its economic forecast for business investment when we have introduced corporation tax cuts, so it draws a link between the two. A study on the long-term impact of our corporation tax cuts so far suggests that they have seen an increase in our long-run GDP of 1.3%, which is the equivalent of £24 billion in today's prices.

David Rutley (Macclesfield) (Con): Before the referendum, the Finance Bill set out the path to lower corporation tax, so I am pleased, following the result, that the Chancellor has set out further steps to reduce it and to invest much more in the northern powerhouse. Will my right hon. Friend tell us what conversations he has had with business leaders about his proactive approach, following the referendum result?

Mr Osborne: Over the past 10 days I have had numerous conversations with various business leaders and leaders of financial institutions, and tomorrow I will be meeting the heads of some of the major banks to discuss how we proceed. The overall, and very clear, message from the Prime Minister's business council, which met on Thursday, was, "Let us send a message round the world that we are not closed for business, we are not turning our back on the world; we are open to business and we are reaching out to the world." A good way of doing that is to further reduce corporation tax, and then we must make the most of our links not just with our European friends, but with countries such as China, India and the United States, where we should be seeking to strengthen our trading links.

Helen Goodman (Bishop Auckland) (Lab): Cutting corporation tax in this way is highly likely to annoy our EU partners, which is extremely foolish in the run-up to the article 50 negotiations. Would not a better way of averting the risk of recession be to promise to replace the EU funds we are going to lose, and which were such an important part of the northern devolution deals?

Mr Osborne: When it comes to annoying our European partners, I do not think this is going to be the thing that tips the balance after the last couple of weeks. Ireland is a member of the EU and has a 12.5% corporation tax rate. When it comes to investment in the north and the midlands, I am very much open to what further steps we can take. I do not pretend that we have done everything possible; I think there is more we are going to have to do, and all of us collectively—particularly those who represent constituencies in the north and the midlands—need to focus on what we can do to make sure that people feel more enfranchised and connected with this country's economic success.

Kit Malthouse (North West Hampshire) (Con): The Brexit vote was always going to require a Treasury response so I am pleased the Chancellor has produced one, but, rather than concentrate on the profit and loss, I wonder if he would care to look more at the balance sheet and consider measures to lift or relieve some of the constraints on the operational liquidity of capital in the economy. Our capital base is fundamental to our growth, and taxes and regulations on the operation of capital are significant constraints. So will the Chancellor look at investment allowances, tax breaks on starting new businesses and capital gains tax, in the hope that we can maintain a nice liquid market for capital investment in the UK?

Mr Osborne: My hon. Friend is right to say that, while taxes on business profits are important, capital taxes are also vital to stimulating investment. That is why in the Budget we reduced capital gains tax—and, with hindsight, that is an even more sensible move than I thought it was at the time. I am always ready to consider further investment allowances, and we have very successful allowances such as the enterprise investment scheme. Of course, the balance has always got to be between simplification and simplicity of the tax system and new allowances, and sometimes people call on me in the same breath to do both things—not my hon. Friend, because he is very clear in his thinking. We have got those allowances, but reducing headline rates is generally the better approach.

George Kerevan (East Lothian) (SNP): With the benefit of hindsight, does the Chancellor accept that his original threat to introduce a deflationary Budget in the event of a Brexit vote was both bogus and counterproductive?

Mr Osborne: What I was setting out with Alistair Darling, my immediate predecessor, was the realism that will be required when we understand that the economy, impacted by the vote, will have an impact on the public finances, and then it will be up to the House of Commons to decide how we proceed. It was important that that information was in the public domain before people voted.

Kevin Foster (Torbay) (Con): First, may I put on record my thanks to the Chancellor for the work he has done over the last week in stabilising the economy following the Brexit vote? Gooch & Housego in my constituency is a company that depends on exports. What message does the Chancellor have for such exporting businesses about Britain's future role in the world, particularly in terms of trade?

Mr Osborne: We need to do two things. First, we need to determine our new trading relationship with our European partners; about half of our exports go to the European continent and, in my view, we should be pushing for the best possible terms of trade in goods and business services, including financial services. Secondly, we should be maximising our links with the rest of the world. We have a real opportunity with China. As my hon. Friend will know, I have been very involved in trying to strengthen the relationship with that big emerging economy in our world, but we should also look to our links with Japan, India, the United States and the Commonwealth, and this is a call to action that we need to redouble our efforts.

Stephen Timms (East Ham) (Lab): The Chancellor gained his office because he promised in 2010 that he would eradicate the deficit by 2015. He failed on that, as we always knew he would, and he is now giving up on achieving that aim by 2020 or indeed by any specific date. Was not his long-term economic plan, which he has now dumped, only ever just a vacuous slogan?

Mr Osborne: We gained office because we were faced with the complete economic mess created under the last Labour Government. We promised to turn that around,
and we got a record number of people into work and have had the fastest growing economy for the past three years. When it comes to the deficit, the right hon. Gentleman was a Treasury Minister and he left me with an 11% budget deficit—the highest in the peacetime history of this country—but this year it is forecast to be below 3%, so I will compare our record with Labour's record.

**Antoinette Sandbach** (Edsisbury) (Con): The Chancellor will be aware that I have many small and medium-sized businesses in my constituency that export to Europe. Will he explain what steps he is taking to ensure that UKTI has a package that will allow such businesses to look more globally for their exports?

**Mr Osborne**: I know my hon. Friend's constituency well, as it neighbours my own. We represent similar communities in Parliament. We as a country do not have to make a choice between exporting to Europe and exporting to the world; we should be doing both. Of course we should be doing everything we can to maintain close trading links with our European partners, and indeed building on them if that is possible, but we should also be looking for opportunities around the rest of the world. The trip that I am making to China will provide an opportunity to communicate that message, and I have also spoken to the Speaker of Congress and others in the United States Administration about what we can do to strengthen our links with that huge market. In the end, however, the best thing that UKTI can do is to help not only our largest companies but the small businesses that my hon. Friend has referred to. In countries such as Germany, many more small and medium-sized companies are exporting than is the case in the UK, but it is within our own gift to address that and we need to give those companies all the help that we can.

**Seema Malhotra** (Feltham and Heston) (Lab/Co-op): This week marks a year since the Chancellor published his productivity plan, and his record speaks for itself. UK productivity remains at the bottom of the G7 league table and 20% lower than the average. The plan was never a plan. Indeed, his decision today shows that he is continuing down that road. Is it not time for him to provide an opportunity to communicate that message, and I have also spoken to the Speaker of Congress and others in the United States Administration about what we can do to strengthen our links with that huge market. In the end, however, the best thing that UKTI can do is to help not only our largest companies but the small businesses that my hon. Friend has referred to. In countries such as Germany, many more small and medium-sized companies are exporting than is the case in the UK, but it is within our own gift to address that and we need to give those companies all the help that we can.

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**Mr Osborne**: I do not think that the business community wants higher business taxes, which is the Labour proposal. When it comes to major transport investments, we are making them. Labour was in office during all those years when money was apparently coming in, but where were the major investments in the railways and the roads? Labour Members complain about our energy investments, but where are the power stations that were opened under the Labour Government? The more we look at that period of our economic history, the more we can see what a massive missed opportunity it was.

**Tom Brake** (Carshalton and Wallington) (LD): I am disappointed that none of the leading leave campaigners is here to listen to what the Chancellor has to say about the impact of Brexit. Will he put the economy on a war footing to stave off a recession? Will he invest in infrastructure, particularly housing, and prioritise support to small and medium-sized businesses through the British Business Bank, which was set up by the Liberal Democrats in coalition, so that innovative companies will continue to receive support if bank lending dries up?

**Mr Osborne**: The British Business Bank—which was created under a policy announced by me at this Dispatch Box—is working successfully, and I pay tribute to Liberal Democrat colleagues in the coalition Government for helping us to deliver it. Of course it has an important role to play in the future. The right hon. Gentleman is right, in the broader sense, to say that we need to look at what we can do to support demand and credit in the economy. The Bank of England has many tools, and the Governor of the Bank has already indicated that, in his personal opinion, we should be looking at monetary easing.

**Jeremy Quin** (Horsham) (Con): I congratulate the Chancellor on his fiscal response, and also on his comment on Heathrow in the statement. Will he reassure the House about the strength and stability of the UK banking system, given the reforms of the last six years?

**Mr Osborne**: I thank my hon. Friend for his remarks. I should point out that I did not identify where the additional runway should be in the south-east of England, although I cannot but note that his constituency is next to Gatwick, so that may have been a loaded question. As for my hon. Friend's broader point, he is right to point to the stability of the banking system. Although we remain vigilant, we are not, today, talking about a banking crisis, despite a very significant adjustment in financial markets. That is because of difficult decisions made by this Government and their coalition predecessor to strengthen the capital requirements, so that banks have 10 times as much capital as they had seven or eight years ago, and to strengthen the oversight of our banking system by putting the Bank of England in charge. I think that those decisions have been justified by what has happened in the last 10 days, but that does not mean that we can ease up; of course we remain vigilant.

**Andrew Gwynne** (Denton and Reddish) (Lab): The Chancellor referred to his fiscal charter, which, of course, has three pillars: the welfare cap, debt reduction in every year of this Parliament, and his target of deficit reduction by 2019-20. We know that he is not going to meet the last one, but can he update the House on the other two pillars?

**Mr Osborne**: The fiscal charter was explicitly designed to ensure that the House of Commons could hold Ministers to account for their fiscal policy, and, indeed, maintain controls on welfare policy. However, it also provided for a specific requirement, in the event of a negative shock, for them to come back to the House of Commons with a new proposal. That, it seems to me, is thinking ahead, and it has been required because of the challenges that we now face in the economy.
who export. Does my right hon. Friend agree that those businesses need us to negotiate trade agreements not just with the European Union but with the rest of the world, and that it would be wise for us to draw breath before rushing into triggering article 50 for our exit from the EU?

Mr Osborne: The Prime Minister’s position—which I share, and which I think is sensible for the country—is that we should trigger article 50 when we are clear, collectively, about the new model of the relationship that we want with our European allies, so that we are well prepared for the negotiations on which we would then embark.

Ms Margaret Ritchie (South Down) (SDLP): The Government have already approved a power for the Northern Ireland Executive to reduce corporation tax. In that context, does the Chancellor accept that the decision to cut corporation tax in Britain to 15% raises issues of attractiveness and competitiveness for the Northern Ireland rate when it comes to foreign direct investment?

Mr Osborne: As the hon. Lady knows, we still have to work out the fiscal underpinning of these arrangements, but they allow the Northern Ireland Executive to set any rate that they want. The good news about the reduction in the UK rate is that it applies to businesses throughout Northern Ireland as well, and, to put it bluntly, makes it cheaper for the Northern Ireland Executive to reduce their corporation tax rate.

James Cartlidge (South Suffolk) (Con): I welcome the commitment to lower the corporation tax rate, but may I echo the point made by my hon. Friend the Member for North West Hampshire (Kit Malthouse) about the need to look at our corporation tax regime in the round? I recently visited Lavenham Press, a printing company in my constituency, whose representatives pointed out that capital allowances had been cut. Given the importance of manufacturing, may I ask my right hon. Friend at least to keep the issue of capital allowances under review?

Mr Osborne: Of course we keep taxes under review. As I have said, my revealed preference is generally to try to reduce reliefs and reduce headline rates, which I think is the least economically distorting approach, but there are many exceptions to that. One of them has been the investment allowance, which we have increased, and which is particularly targeted at small and medium-sized businesses. It now stands at £200,000 as a permanent annual allowance, which is the highest that it has ever been.

Alison McGovern (Wirral South) (Lab): As ever, the Chancellor is fond of having a pop at the previous Labour Government, but there was a crisis in the markets to which that Government had to respond. This is a crisis made in Government to which the markets are responding. With that in mind, and because he has not answered this yet, will he say what proper assessment he has made of the impact of this cut in corporation tax on our country’s productivity crisis?

Mr Osborne: First of all, the problems in the financial markets eight years ago hit this country more severely than almost any other country in the world, and the Government at the time take some responsibility for that. Secondly, the challenge we face is one that was delivered by our democracy. It is a democratic outcome that we accept and respect and we have to make it work for our country. I am determined to make that happen.

As the hon. Lady well knows, productivity growth is a challenge in every western democracy at the moment. Indeed, the US is now predicted to have negative productivity growth. Productivity is still growing in the UK, but we need to do more to improve it. Education reform, welfare reform and transport investment are good places to start.

Andrew Bridgen (North West Leicestershire) (Con): From the moment the result of the EU referendum was announced and the British people said that they wanted to leave the European Union, prominent commentators in most areas of the media have revelled in running down the British economy and its future prospects.

Mr Osborne: I completely agree with my hon. Friend. We are well placed because we have got behind Britain’s businesses, large and small. The essential decision that we—we and I and our colleagues—took collectively six years ago was to push for a private sector recovery, rather than to continually pump in Government money to try to sustain the economy. That approach has been vindicated by the record numbers of jobs and businesses created and our record growth compared with other advanced economies.

Alan Brown (Kilmarnock and Loudoun) (SNP): A few weeks ago, we were told that a punishment Budget would be presented to Parliament if there was a leave vote. We are now told that we do not need one and that we can cut corporation tax. The contingency plan that the Chancellor is taking credit for is actually the work of the Bank of England, which presented him with the chance to go into hiding in the aftermath of the leave vote. Given the failure to meet targets and the number of U-turns, is it not the case that the Chancellor is making up a plan as he goes along?

Mr Osborne: The contingency plans that we had in place were joint plans of the Treasury and the Bank of England and require the authorisation of a Chancellor in certain aspects. Based on the assessment we made before the referendum of the different models available to the UK, we now have to make a decision about how we want to proceed as a country. I am clear that we want the closest possible economic links, so that vital industries—not just manufacturing, but financial services, which is important to the Scottish economy—are able to trade as freely as possible with our European neighbours.

Mr Alan Mak (Havant) (Con): The UK is a world leader in the financial services sector, which employs hundreds of thousands across the country and contributes substantially to corporation tax receipts. Will the Chancellor continue to do all that he can to protect this vital sector?

Mr Osborne: Financial services is our largest private sector employer, and two thirds of its jobs are outside our capital city. It is a vital industry in the many
different towns and cities of the United Kingdom. One of our key priorities is ensuring not only that our financial services industry continues to be a real success and that it is able to sell its services into Europe, but that we strengthen our links with other great global financial centres and economies. For example, becoming the offshore trading centre for the renminbi has been one of the real success stories of recent years.

Nick Smith (Blaenau Gwent) (Lab): Will the Chancellor support investment in projects such as further upgrading the Heads of the Valleys Road and electrifying the south Wales metro? Improving transport links will help to improve employment in the south Wales valleys and boost demand across the UK.

Mr Osborne: I am always happy to consider any good proposals to make further investment in our transport infrastructure. We of course support the electrification of railway lines both into south Wales and through the valleys. The Cardiff city deal has just been signed for the wider Cardiff city region, but if the hon. Gentleman has further proposals, I am happy to look at them.

Mike Wood (Dudley South) (Con): When the Chancellor cut corporation tax in the Budget, he reduced the losses that banks could offset against corporation tax liabilities. Will he consider extending that to ensure that while we have the lowest possible rates, everyone pays their fair share of corporation tax?

Mr Osborne: My hon. Friend rightly says that as well as reducing corporation tax rates, we did a lot to reduce some of the reliefs that have been used—and some that have been abused. Broadly speaking, that is the right direction of travel for our tax system.

Madam Deputy Speaker (Mrs Eleanor Laing): The prize for patience goes to Nigel Mills.

Nigel Mills (Amber Valley) (Con): That is not a prize I get often. I welcome the Chancellor’s decision to further reduce the rate of corporation tax—I called for it in the Budget debate last week, so I ought to welcome it. To get the most benefit out of that, we need to simplify our business tax system further to make it more attractive. Will he therefore agree to hold a review to try to make our system as simple as it can be?

Mr Osborne: We are seeking to make our business tax system simpler, and our Office of Tax Simplification will be on a statutory footing and will help us. Let me be a bit discursive at the end here. In this job, I get many requests for tax reliefs and tax breaks for particular things, all of which are very worthy and sensible. They do, however, complicate the tax system. Sometimes the more difficult path is to say that welcome though lots of different reliefs would be, the simpler thing would be to reduce the rate. Broadly speaking—there are exceptions to this—that is the approach that I have followed and intend to follow in the future.
Crown tenancies may be assured tenancies for the purposes of the Housing Act 1988, subject to certain exceptions; to modify the assured tenancies regime in relation to certain Crown tenancies; and for connected purposes.  
Bill read the First time; to be read a Second time on Friday 16 December, and to be printed (Bill 32).

HIGHWAY WORKS (WEEKEND WORKING AND TRAFFIC MANAGEMENT MEASURES) BILL  
Presentation and First Reading (Standing Order No. 57)  
Wendy Morton, supported by Kevin Foster, Michael Tomlinson, Sir David Amess, Mary Robinson, Maggie Throup, Ben Howlett, Amanda Solloway, Jeremy Lefroy and Victoria Prentis, presented a Bill to regulate works on certain highways in England by making provision about weekend and bank holiday working and provision about removal of traffic lights and other traffic management measures after the completion of works.  
Bill read the First time; to be read a Second time on Friday 20 January 2017, and to be printed (Bill 33).

LOCAL AUTHORITY ROADS (WILDLIFE PROTECTION) BILL  
Presentation and First Reading (Standing Order No. 57)  
Wendy Morton, supported by Kevin Foster, Michael Tomlinson, Sir David Amess and Anna Turley, presented a Bill to place a duty on local highways agencies and local transport authorities to make provisions safeguarding wildlife on roads passing through, or adjacent to, specified protected areas; and for connected purposes.  
Bill read the First time; to be read a Second time on Friday 3 February 2017, and to be printed (Bill 34).

USE OF PROPERTY (PROTECTION) BILL  
Presentation and First Reading (Standing Order No. 57)  
Michael Tomlinson presented a Bill to make provision about protecting existing and established use of property; and for connected purposes.  
Bill read the First time; to be read a Second time on Friday 21 October, and to be printed (Bill 35).

ROAD TRAFFIC OFFENDERS (SURRENDER OF DRIVING LICENCES ETC) BILL  
Presentation and First Reading (Standing Order No. 57)  
Michael Tomlinson presented a Bill to make provision about the surrender, production or other delivery up of driving licences, or test certificates, in relation to certain offences; to make provision in relation to identifying persons in connection with fixed penalty notices, conditional offers and the payment of fixed penalties under the Road Traffic Offenders Act 1988; and for connected purposes.  
Bill read the First time; to be read a Second time on Friday 27 January 2017, and to be printed (Bill 36).

PROVIDERS OF HEALTH AND SOCIAL CARE (SCHEMES UNDER SECTION 71 OF THE NATIONAL HEALTH SERVICE ACT 2006) BILL  
Presentation and First Reading (Standing Order No. 57)  
Michael Tomlinson presented a Bill to amend section 71 of the National Health Service Act 2006 to enable schemes under that section to make provision to meet liabilities of health and social care providers in respect of integrated health and social care services.  
Bill read the First time; to be read a Second time on Friday 24 March 2017, and to be printed (Bill 37).

CARBON MONOXIDE POISONING (SAFETY ABROAD) BILL  
Presentation and First Reading (Standing Order No. 57)  
Michael Tomlinson presented a Bill to require companies offering or marketing holiday accommodation in other countries to British citizens to undertake specified health and safety measures in relation to carbon monoxide emissions; and for connected purposes.  
Bill read the First time; to be read a Second time on Friday 24 March 2017, and to be printed (Bill 38).

PROTECTION OF FAMILY HOMES (ENFORCEMENT AND PERMITTED DEVELOPMENT) BILL  
Presentation and First Reading (Standing Order No. 57)  
Steve McCabe presented a Bill to make provision about guidance to local authorities on when to take enforcement action for breaches of planning law; to clarify guidance on the scope of permitted development rights; to make provision about rights and entitlements, including of appeal, for people whose homes are affected by such breaches; to make provision for the inspection and regulation of building under the permitted development regime; to establish financial penalties for developers who breach planning law in certain circumstances; and for connected purposes.  
Bill read the First time; to be read a Second time on Friday 28 October and to be printed (Bill 39).

PERSONAL, SOCIAL, HEALTH AND ECONOMIC EDUCATION (STATUTORY REQUIREMENT) BILL  
Presentation and First Reading (Standing Order No. 57)  
Caroline Lucas, supported by Mrs Maria Miller, Kate Green, Teresa Pearce, Liz Saville Roberts, Barbara Keeley, Valerie Vaz, Thangam Debbonaire, Jess Phillips, Sarah Champion and Diana Johnson, presented a Bill to require the Secretary of State to provide that Personal, Social, Health and Economic education (PSHE) be a statutory requirement for all state-funded schools; for PSHE to include Sex and Relationships Education (SRE) and education on ending violence against women and girls; to provide for initial and continuing teacher education and guidance on best practice for delivering and inspecting PSHE and SRE education; and for connected purposes.  
Bill read the First time; to be read a Second time on Friday 20 January 2017, and to be printed (Bill 40).

HOUSING (TENANTS’ RIGHTS) BILL  
Presentation and First Reading (Standing Order No. 57)  
Caroline Lucas, supported by Mr David Lammy, Mary Glindon and Jonathan Edwards, presented a Bill to establish a Living Rent Commission to conduct research into, and provide proposals for; reducing rent levels in the private rented sector and improving terms and conditions for tenants; to require the Secretary of State to report the recommendations of the Commission to Parliament; to introduce measures to promote long-term tenancies; to establish a mandatory national register of
landlords and lettings agents; to prohibit the charging of letting or management agent fees to tenants; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 20 January 2017, and to be printed (Bill 41).

RAILWAYS BILL

Presentation and First Reading (Standing Order No. 57)

Caroline Lucas, supported by Ian Mearns, Ian Lavery, John Cryer, Steve McCabe, Jonathan Edwards and Hywel Williams, presented a Bill to require the Secretary of State to assume control of passenger rail franchises when they come up for renewal; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 20 January 2017, and to be printed (Bill 42).

ANIMAL CRUELTY (SENTENCING) BILL

Presentation and First Reading (Standing Order No. 57)

Anna Turley, supported by Kevin Foster, Alex Cunningham, Kerry McCarthy, Liz McInnes, Wendy Morton, Mr Philip Hollobone, Sarah Champion, Jim Dowd and Margaret Ferrier, presented a Bill to increase the maximum sentences available to the court for specified offences related to animal cruelty; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 24 February 2017, and to be printed (Bill 43).

MALICIOUS COMMUNICATIONS (SOCIAL MEDIA) BILL

Presentation and First Reading (Standing Order No. 57)

Anna Turley, supported by Ruth Smeeth, Paula Sherriff, Chris Matheson, Angela Rayner, Louise Haigh, Melanie Onn, Jess Phillips, Justin Madders, Chris Elmore, Carolyn Harris and Helen Hayes, presented a Bill to make provision about offences, penalties and sentences in relation to communications containing threats transmitted or broadcasting using online social media; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 24 March 2017, and to be printed (Bill 44).

Estimates Day

[1ST ALLOCATED DAY]

ESTIMATES 2016-17

MINISTRY OF JUSTICE

Courts and Tribunals Fees

[Relevant Documents: Second Report from the Justice Committee, Courts and tribunals fees, HC 167.]

Motion made, and Question proposed,

That, for the year ending with 31 March 2017, for expenditure by the Ministry of Justice:

(1) further resources, not exceeding £4,017,927,000 be authorised for use for current purposes as set out in HC 967 of Session 2015-16,

(2) further resources, not exceeding £360,850,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £4,305,530,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.—(Simon Kirby.)

5.11 pm

Robert Neill (Bromley and Chislehurst) (Con): It is a great pleasure and a privilege to speak to the motion and raise the issue arising from the report by our Select Committee. This is the first time that one of our Committee’s reports has been debated on the Floor of the House in this way.

I begin by expressing my appreciation to all the members of the Committee for the constructive and diligent way in which they have approached the work of the Committee and this report in particular. It was undertaken in an entirely collaborative and non-partisan spirit. As is perhaps appropriate for anything that touches upon the law and justice, we have endeavoured throughout to base our conclusions on the evidence that has come before us. I am grateful for that. The report was agreed unanimously, and I hope that that will weigh with the House and with Ministers when they consider it.

We had significant assistance from the evidence, both written and oral, that we received from witnesses. It is particularly worth noting that in this case we were assisted by the evidence of very senior members of the judiciary—the Master of the Rolls, the president of the family division, and the senior president of tribunals. When they speak, their views ought to carry very considerable weight indeed.

There is no doubt that over the past few years, fees for litigants bringing cases have spread and increased across our civil courts, the family courts and tribunals, and there have been a number of proposals for further increases. When we set up the inquiry, we identified four objectives to be looked into. First, how have the increased court fees and the introduction of employment tribunal fees affected access to justice? How have they affected the volume and the quality of cases brought? Secondly, how has the court fee regime affected the competitiveness of the legal services market in England and Wales, particularly in an international context? Thirdly, we particularly wanted to look at the effect on defendants of the introduction of the criminal courts charge, about
which I shall say more. Fourthly, we wanted to examine the impact of the increases in courts and tribunals fees announced in “Court and Tribunal Fees”, Cm 9123, published on 22 July 2015, and subsequent proposals.

I am grateful to the Government for moving swiftly on the criminal courts charge. The evidence was clear that it did not work and was, if anything, counterproductive, arguably costing as much to administer as it would ever bring in. We therefore decoupled the issue from the main part of the report and brought it forward swiftly. I am grateful to the Government for their prompt response and for moving to accept our recommendation and abolish the charge.

In fairness, the Secretary of State for Justice and his ministerial team deserve great credit for that. We should not criticise politicians when they are prepared to change their minds. I think it was John Maynard Keynes who famously said, “When the facts change, I change my opinion.” The Government listened to the evidence and removed the criminal courts charge. I hope they will be as expeditious and responsive on a number of the other matters we raise in the report—as a West Ham supporter, I am always an optimist.

Andy Slaughter (Hammersmith) (Lab): I compliment the hon. Gentleman on an excellent report, but would it not be fairer to say that the Secretary of State changed? I do not know whether that is one of Keynes’s principles. The facts did not change at all; some light was suddenly shone on what was always a mad scheme, and a change came about. However, I do not want to detract from the credit that is owed to the hon. Gentleman’s Committee.

Robert Neill: I am grateful to the hon. Gentleman for the spirit in which he made his contribution. I am a friend of the current and the former Secretary of State, and giving credit to those who responded to the evidence is perhaps the appropriate and balanced way to deal with the issue.

It is worth looking at a little of the chronology of one of the matters I am going to turn to. As well as having significant witnesses from the judiciary, we heard evidence from the trade unions, the business community, the Bar Council, the Law Society and a number of individuals and interest groups. We had four oral evidence sessions between November 2015 and February 2016, the last of which was on 9 February, when we heard from the legal profession and then from the Under-Secretary of State for Justice, my hon. Friend the Member for North West Cambridgeshire (Mr Vara).

We then waited, because we were anticipating the promised post-implementation review of the impact of employment tribunal fees, which had formed an important part of the evidence that was put before us. We knew that the review had been commissioned some time back, so we waited—and nothing came forward. In the end, on 25 April, the Under-Secretary of State for Justice, my hon. Friend the Member for Esher and Walton (Mr Raab), who is on the Front Bench and who had taken over responsibility, courteously responded, but he was unable to give any indication of a publication date. I have to say that we do not regard that as satisfactory.

It was against that background that, rather than waiting for the two months the Government normally have to reply to a Select Committee report to lapse, we thought it right to bring our report to the House today in this estimates day debate.

John Howell (Henley) (Con): Will my hon. Friend tell us whether we have yet received that report?

Robert Neill: No, we have not, and I have to say that we used quite strong language about that in our report, because we were, frankly, disappointed. What happened does actually go against the spirit of courtesy, openness and co-operation I have seen from the Ministry of Justice team throughout the year or so I have chaired the Select Committee, and I hope it is an outlier. I hope the Minister will give us an indication of why the review report has taken so long and when we will get it. I know it is sometimes not easy to agree these things across Government, but it is pretty clear that the data required for the analysis were collected a long time ago, and, as we say in our report, there can be no reason why at least that factual material cannot be published forthwith, even if the Government are not yet in a position to respond, because the more informed the House and the public are, the better. That is an area of regret, and that is why today’s debate is important and timely.

Let me touch on some of the principles we are concerned with. The levels of various courts and tribunal fees have been politically controversial. We all need to bear in mind that a balance must be struck between the cost to the public purse of administering a justice system, which is an integral part of any civilised society and of the rule of law, and how much can reasonably be recovered from litigants. We say that, in principle, we do not object to the idea that there should be some financial discipline on those who choose to go to law—those who choose to litigate—in deciding whether that is a wise decision for them to make. We do not have a problem with the principle of a certain level of a fees. Equally, however, we must bear in mind the comments that have been made consistently ever since Magna Carta but were recently elegantly captured by the late Lord Bingham of Cornhill in his book, “The Rule of Law”—which I always think should be compulsory reading for anyone in the political sphere—in which he says, in essence, that the accessibility of justice is as much a part of the fundamentals of the rule of law as clarity of the law itself. He says that justice is not a commodity—it cannot be commoditised in the way that, perhaps, other services can be. It is important to get the balance right. That is where we have some concerns that I will now turn to.

We accept that there is no problem, in principle, with fees for litigants. We know that there are financial pressures on the Ministry, which is not a protected Department. I understand the pressures that Ministers were under when these decisions were taken. We think it is entirely legitimate to find a number of means of reducing the number of vexatious claims. That could be done as part of the financial discipline we referred to, but it could also be done by changing the substantive law to raise the threshold or by making changes to court procedure. That is a legitimate part of the mix. But—we then have to say a number of “but”s, looking at the evidence—the answer to what is a reasonable charge in striking this balance will vary depending on a number of factors such as the effectiveness of fee remission, the vulnerability or otherwise of the claimants, and the degree of choice.
[Robert Neill]

that they have. There is a distinction, for example, between someone who chooses to litigate over a commercial contract dispute and someone who is charged by the state with an offence, or someone whose marriage has broken down and has no other recourse, in order to have the marriage dissolved and move on with their life, than to go to the courts. The degree of choice is an important issue that must be considered carefully in each case.

There is an argument for trying to recover, as far as one can within that balance, some of the costs that fall on the public purse. In some cases, it may be possible to recover all the costs, but that cannot be an absolute. We were particularly struck by the fact that in some cases there are fees that exceed the full cost of the operation of the court; they are sometimes referred to as “enhanced fees”. We take the view, consistent with Lord Bingham’s formulation and with a public policy approach that we have had in this country for decades, that making a profit from the justice system, in effect, albeit one that is intended to be used elsewhere, requires particular care and a strong justification.

Hannah Bardell (Livingston) (SNP): Surely the Ministry of Justice should not be making a profit out of justice. Getting rid of tribunal fees and having equality of access to justice is about making sure that everybody in this country can be productive, particularly women, who can be discriminated against—it drives up productivity and boosts the economy.

Robert Neill: We do not go so far as to say that it follows that there should never be fees in any particular class of case—that includes employment tribunal fees—but we do say that a balance has to be borne in mind. I suppose that one could conceive of an argument—we did not rehearse it in detail in our report—whereby an enhanced fee might be recycled within the system. If, for example, some of the fees were being used to cross-subsidise, as it were, other elements of the family jurisdiction, then there might be something in that, but we do not have any evidence that that is the case. The hon. Lady makes a fair point, which is consistent with our report, about the undesirability of going down that route.

The situation provides a contrast with the speed with which the Government acted over both the criminal courts charge, quite rightly, and the new proposals for higher fees ever since the employment tribunal fees were introduced, with some controversy. The Department made those proposals with great speed, but it has been remarkably tardy in producing its review of the impact of those employment tribunal fees. That is why we conclude that, although a legitimate balance has to be found in the interests of society, where the objective of achieving cost recovery and the principle of preserving access to justice are in conflict, it is the latter—access to justice—that has to prevail. In a sense, that is a restatement of the point made by the late Lord Bingham of Cornhill, and I would have thought that most Members saw the logic of that.

Other members of the Select Committee will wish to make particular points, so I will touch on a few of the major matters. I have already referred to the quality of the evidence from the Ministry of Justice, particularly in relation to employment tribunal fees. Ultimately, the Department may not have the evidence; if that is the case, it should say so, rather than pretend otherwise.

It is worth giving a flavour of some of the comments we received about the evidence base. The Master of the Rolls, Lord Dyson, described the Department’s research as “lamentable”. It is pretty serious when the head of civil justice in this country talks in those terms. The chairman of the Bar Council described the research undertaken in relation to the domestic effects of fees as “insignificant”, and the president of the Law Society said it was “poor”.

I appreciate that the Under-Secretary of State for Justice, my hon. Friend the Member for Esher and Walton has only just started the job—I do not blame him or any of his colleagues personally—but the truth is that the Government did not produce adequate evidence. On the face of it, it seems to have been a “wet your finger and hold it up in the wind” job, rather than being based on significant research. We do not think that that is satisfactory.

Perhaps things would have been different if the Government had brought forward their review. We might have been less critical if we had seen the evidence that they have collated but not yet made available. As it was, we had to base our conclusions on the evidence that we had, which I am afraid went significantly in another direction. It is ironic that, by not providing that material, the Government have not been the best of advocates of their own cause.

I am not going to say that everybody had difficulties with employment fees. In their evidence to us, the Federation of Small Businesses and Peninsula Business Services said that it was reasonable to have the objective of discouraging weak and vexatious claims. That was certainly the Government’s assertion when they introduced the fees, but hard material to support that view has not yet been forthcoming. We must bear in mind the comments of the senior president of tribunals, Sir Ernest Ryder, who said that it was simply too soon to say whether what has happened. If that is the case, and if the valuation is not yet available, now is not the time to be rushing similar increases in other parts of the civil and family and immigration jurisdictions, which I will turn to later. I will leave it to others to go into more detail about employment fees, as I know they will.

Ian Murray (Edinburgh South) (Lab): I am grateful to the distinguished Chair of the Justice Committee for allowing me to intervene on him. If there is very little evidence to suggest that there were vexatious claims in the employment tribunal system and if the number of claims in some regions has dropped by a quantum of about 80%, is it not possible to make the opposite argument that fees are a block to justice and that, to get access to justice, they will have to be lowered? If this is about cost recovery, the number of employment tribunal cases is now so low that no costs are being recovered at all.

Robert Neill: That is why we made the point that we need to have a much better evidence base before we go forward with like increases in other areas. We did not rule out the fact that a fee may be appropriate in some cases, but we need better evidence to know the proper
level to pitch it at and whether there are any unintended consequences—whether it will deter not just unworthy claims, but, as we fear, meritorious claims as well. A particular concern raised was that the employer and the employee claimant would get into a war of attrition, depending on who has the deepest pockets. That is not really consistent with the “equality of arms” argument that we have always regarded as being central to our justice system. Funnily enough, it may tend to make cases more protracted than they need to be, when the swiftest and earliest possible settlement would, as a general rule, be in everybody’s interests. I am grateful to the hon. Gentleman for his point. We were much assisted in our inquiry by evidence on the matter from the Law Society of Scotland, and we are grateful for its assistance.

Against that background, we made all due allowance for the fact that there has been some change in the substantive law, for the improving economic situation, for the previous downward trend in tribunal cases and for the ACAS conciliation schemes. Those things could account for some of the drop, but we were looking at a drop of about 70%, and we found no evidence to suggest that it was accounted for entirely or substantially by those matters, so we were led to the conclusion that the clear majority of the decline was attributable to the level of fee. That is why the matter needs to be looked at seriously and we need the factual information immediately.

We set out certain indicative thoughts about the sorts of changes that might be made; they are indicative because we do not have the evidence to go further than that. We think that this is an important issue, which really cannot be kept back for much longer.

Andy Slaughter: I commend the hon. Gentleman on many of the recommendations in the report, but—as I would, I suppose—I want to highlight one that I think is slightly problematic. The Justice Committee went along with the decision of the independent commission on freedom of information to disallow appeals from the Information Commissioner to the first-tier tribunal, despite the fact that 20% of those appeals are successful. Would the hon. Gentleman like to look at that again? The Select Committee stated in its report:

“We see no reason to disagree with the Commission’s view.”

Has the hon. Gentleman simply gone along with the view of the commission? What is his reason for making that decision?

Robert Neill: Simply that there was no compelling evidence presented to us to the contrary. We followed the evidence, as we did in the other matters. It is not because we are afraid of pulling our punches; as the hon. Gentleman has seen, we have not pulled our punches in some areas. We simply did not find any evidence to suggest that that assessment by the independent body was wrong.

I will move on quickly to some other matters. There has been particular concern about the impact of employment tribunal fees, but certain other matters have also been brought forward. The April 2015 increase in fees for money claims should, in our judgment, be reviewed. That may seem rather remote and arcane, but it is very important because it affects international competitiveness of London and the UK as a jurisdiction of choice, especially for commercial litigation. That is a great strength of this country, and some figures released today by the Legal Services Board highlight its significance. Legal services and their related supply chain contribute something like £35 billion towards this country’s GDP. Legal services exports have increased by some 33% over the past eight years, and something like 10% of the legal profession have instructions from overseas clients.

At the same time, there are pressures on the British jurisdiction and threats to its exclusiveness. We have already seen, in places such as Singapore and Dubai, courts operating on the basis of English common law but outside our jurisdiction. It is worth observing that very recently in Amsterdam, in the Netherlands, an English-language court was established. We should be very wary of biting off the hand that feeds us—or, to use another metaphor, doing anything to kill the goose that lays the golden egg—by reducing the value of the British legal system and its attractiveness to litigants nationally and internationally.

We think that the Government should review the increase in fees for money claims, and they should certainly not resurrect the proposal to double the £10,000 cap or remove it altogether. They were right not to proceed with that when it was originally proposed, but they did not rule it out for the future. We are saying that they should not think about going anywhere near it, at least until they have had a proper review of what has been done.

Another point, which goes back to an issue that has been raised already, is about the increase in the divorce petition fee from £410 to £550. Given that the cost to the state of the average straightforward divorce petition is about £270, that is a mark-up of about 100%. We find it difficult to see how making a 100% profit out of divorce cases can be justified, when it is an entirely captive audience because there is no other way to get divorced than going to the courts. We say very clearly that the increase should be reversed.

Our view was fortified by the trenchant evidence from the president of the family division, the right hon. Sir James Munby. It is pretty unusual for a senior member of the judiciary to speak in such terms to a parliamentary Committee or any other body. Sir James said, rather tellingly, that he was concerned that the Ministry of Justice was “battening on to the fact that there is a captive market” and that it was “putting up the fees until it becomes another poll tax on wheels”. That is pretty strong language. I would put it slightly differently. We say that there is a risk that it will become a “divorce tax”. That cannot be just and we strongly urge Ministers to look at it again most urgently.

Immigration and asylum tribunals are another important issue. There are concerns over whether our immigration and asylum system and the appeals system are abused. There must be safeguards to ensure that proper cases are properly heard. Someone with a legitimate claim must have a decent chance of challenging the decisions of the state or of any Executive body. Equally, it is in everybody’s interests that weak and unmeritorious cases are weeded out. Nobody has a problem with that. Our concern is that fees have been brought in with remarkable swiftness, without a significant evidence base.

In July 2015, the Government consulted on doubling the fees in the first-tier tribunal from £80 to £160 for an application for a paper determination and from £140 to
£280 for an application for an oral hearing. In December 2015, after the consultation, it was confirmed that that would go ahead. Only a few months later, in April this year, a further consultation was brought out, without any review of the impact of the last set of increases, proposing a sixfold increase in the fees in those jurisdictions, so that there was full cost recovery. It was proposed that an application for a paper decision would cost £490 and an application for an oral hearing would cost £800.

We have the same concern that I have raised more than once: there is no apparent evidence base to support that increase. If there were, we might have taken a different approach to it. Making that increase does not seem justified when the people involved are, by the nature of these cases, vulnerable. That is why we express considerable concern over the proposals.

I am surprised that the Government have adopted that approach, given their experience with employment tribunal fees and the criminal courts charge. The idea is to have full cost recovery. The problem is that we are dealing with people who are by their nature—particularly those in the asylum system, but also those in the immigration system—very unlikely ever to have any means to recover even a decent percentage of the cost against, let alone the full cost. The Government will end up in exactly the same position as with the criminal courts charge. They are setting themselves an objective to raise money that they have no hope of raising because the people they are trying to get it from do not have the means—it is getting blood out of a stone. We think that it is pointless to pursue an unachievable objective. That is why we urge the Government to think again.

I have endeavoured to outline what is a detailed report. I hope that it is useful to the House. Given the nature of its technical but important topic, we make no apology for its detail. These are issues that impact not just on our system, but on individuals, because every piece of litigation involves an individual somewhere. The Government have had ample time to consider the report, so I hope that we will have a substantive response to it. I am grateful for the House’s indulgence.

Mr David Hanson (Delyn) (Lab): I, too, welcome the work undertaken by the Justice Committee, of which I am a member. I am also grateful for the chairmanship of the Committee of the hon. Member for Bromley and Chislehurst (Robert Neill), who has brought us to a consensus on the recommendations in the report. The Government need to reflect very seriously on those recommendations. At the heart of the proposals before us today is access to justice, and that issue is also central to our recommendations.

As the Chair of the Justice Committee has said, we remain concerned first and foremost that the Minister has not yet brought forward the results of the review. That has influenced very strongly how we have been able to present our report, as well as the points we are putting today and the way we are putting them. The Minister could have saved himself a lot of trouble had he brought forward the information requested in the timescale in which we requested it.

As hon. Members will know, during the 2010-2015 Parliament the coalition Government pursued a range of policies aimed at decreasing the net cost of Her Majesty’s Courts and Tribunals Service through the pursuance and introduction of a range of various fees, including, in particular, charges for employment tribunals. As the Chair of the Justice Committee has said, we looked at whether the increase in court fees and the introduction of fees for employment tribunals had affected access to justice. It is fair to say that the conclusions of all members of the Committee were straightforward, especially in the area I will focus on, namely the recommendations on employment tribunal fees. All the evidence we have had—from the judiciary, the trade union movement and organisations dealing with vulnerable people with especially vulnerable status relating to maternity provisions or other similar issues—has shown that there is a real challenge from the impact of fees on employment tribunals as a whole.

I will make one plea to the Minister. It would be helpful if, before the summer recess, he could meet the commitment that he gave to the Committee to publish the results of his one-year review as soon as possible. Given our concerns, it is important that that information is put into the public domain. This is not something he can avoid. He said that he would deliver that information to the Committee before it reported, yet even after the publication of the report the Committee has still not seen it.

Employment tribunal fees are of particular concern to members of the Committee from across the House—certainly to me. As I have just said, the Committee found it unacceptable that the Government had not reported on their review. There was also some damning evidence about the impact of employment tribunal fees on access to justice.

Let me touch on a couple of statistics so the House can get a flavour of why we have those concerns. The number of employment tribunal cases brought by single individuals declined by 67% to around 4,500 per quarter between October 2014 and June 2015. The number of cases brought by more than one person—multiple claims—declined by 72%, from 1,500 per quarter to around 400 per quarter. That is a major decline. It is important that the Minister reflects on that. Is that decline because there are no injustices in the workplace? Is it because people do not feel aggrieved with their employment position? Has the figure declined because people have decided that applying to the employment tribunal for justice is not worth a candle? To all three questions, the answer is no. The decline is due to the prohibitive fees that the Government have put in place.

Statistics provided to the Committee by the TUC and Unison compare cases brought in the first three months of 2013 and 2015, and they show reductions across the board in areas of key industrial activity. For example, the number of cases brought to employment tribunals under the working time directive fell by 78%. My question, which I hope the House will reflect on, is this: is it that because 78% fewer employers are making people work longer than their hours under—dare I say it?—European legislation?
The number of tribunals brought for unauthorised deductions from wages has fallen by 56%. Has some miraculous activity meant that employers stopped unfairly deducting from individuals’ wages during that period? If so, the information that the Minister is supposed to have considered might help us to understand that fall in wage deductions. Cases of unfair dismissal have fallen by 72%, equal pay claims are down by 58%, and those for a breach of contract by 75%. Sex discrimination cases have fallen by 68%. Therefore, one of two things has happened: either employers have dramatically improved their performance over the past two years in those areas, in which case let us see the evidence to show that; or people who have been unfairly discriminated against regarding deductions from wages, breach of contract, sex discrimination, the working time directive, or unfair dismissal, have not taken their claims to courts and employment tribunals because of the fees introduced by the Government.

Several cross-party witnesses to the Committee claimed that on maternity pay and pregnancy, for example, employment tribunal fees were having a profoundly discriminatory effect on pregnant women and new mothers who receive poor treatment at work. Rosalind Bragg of Maternity Action said that fees had led to a 40% drop in claims for pregnancy-related detriment or dismissal. The Fawcett Society—again, not a party political organisation—stated that pregnancy discrimination was widespread in the public and private sectors, but that very few women were able to take action because of the deterrent effect of the fees.

That is particularly true for low-value claims. When people are deciding whether to take a case to a tribunal, they will inevitably weigh the cost of the fee against the likely size of an award. If the likely size of an award is low but the sense of having access to justice and feeling strongly about an issue remains high, the levels of fees are still deterring people from taking claims to employment tribunals. Do not listen to me, Madam Deputy Speaker—the Council of Employment Judges told us that, and said that there had been a “particularly marked decline in claims for unpaid wages, notice pay, holiday pay and unfair dismissal”.

Those are the types of cases brought by ordinary working people, and those are the words of the Council of Employment Judges, not mine.

That shows that there is a problem that the Minister needs to consider seriously. If his evidence indicates that the problem is not as we think it is, he should bring that evidence forward so that we can consider it. The Council of Employment Judges also stated:

“Many judges reported that they now hear no money claims at all. Prior to the introduction of fees money claims were often brought by low paid workers in sectors such as care, security, hospitality or cleaning and the sums at stake were small in litigation terms but significant to the individual involved. There are few defences to such claims and they often succeeded.”

Now, however, such cases are not being taken forward, which should be a worry to the House.

In written evidence, Unison used figures for the median awards for different types of discrimination claims in 2012-13—ranging from just under £4,500 in age discrimination cases, to £7,500 in disability discrimination cases—to support its contention that fees constituted such a high proportion of probable awards that many claims would not go forward because people found them excessively difficult to pursue. Indeed, a survey by Citizens Advice indicates that 47% of its respondents would have to put aside—wait for this, Madam Deputy Speaker—six months of their discretionary income to be able to afford the £1,200 needed to bring a type B claim. If people on a low income feel aggrieved but have to put away £1,200—six months of their discretionary income—it is self-evident that those who have a just claim will not take it forward because of the fee.

Dawn Butler (Brent Central) (Lab): Does my right hon. Friend concur with trade union reports, which have found that women and black and Asian people have been particularly affected by not being able to afford the fees?

Mr Hanson: That is an important point. Women are more likely to be in low-paid jobs and there is employment discrimination in many areas against black, Asian and minority ethnic communities. The key point in the case I am putting to the Government is that the Committee heard evidence showing that the fees have a discriminatory effect. The Government have investigated this matter, but have not yet produced their report to say whether they believe that to be the case. There may be other reasons—I do not doubt that there are—but the key point from today’s report is for the Government to provide evidence to the House. The Committee was unanimous in saying that there is a discriminatory effect that deters claims from the poorest, the lowest paid and those in the most insecure employment. It is therefore hitting those who have no other defence than an employment tribunal, which is now out of reach.

This is a matter of access to justice, which we on the Committee, on a cross-party basis, have put on the agenda. We have said that there is a real case to answer. It is for the Minister, both today and in the future, to respond to the report and answer that case.

5.51 pm

John Howell (Henley) (Con): It is a great pleasure to follow the right hon. Member for Delyn (Mr Hanson) and my hon. Friend the Member for Bromley and Chislehurst (Robert Neill), the Chairman of the Justice Committee. The difficulty for me is that they have already covered all the issues I was going to cover, but let me touch on one highlighted by the right hon. Member for Delyn and the Chairman of the Committee: access to justice.

Access to justice has been the key issue for all of us throughout this process. It was a big issue for the Committee, but it is a big issue for the courts and the senior judiciary. Through an Industry and Parliament Trust Fellowship, I have had the opportunity to talk to members of the judiciary about many of these issues, and I can assure the House that they are very concerned about access to justice.

Without the information from the Ministry of Justice, it is difficult to know what the impact of the changes will be. An enormous number of reforms are taking place; it is not just court and tribunal fees that are being put through at a rapid pace by the MOJ. The Lord Chief Justice is a great reformer, and when talking to him one really gets the feeling that he understands the issues relating to access to justice. At the same time, Lord Justice Briggs is taking forward his views for an...
online court, which could reduce the costs of justice by taking lawyers out of the equation in bringing a relatively small case to court. A lot of work needs to be done to get the detail of online courts right. Nevertheless, it will be there to provide access to justice.

The Committee’s report highlights the need to consider other means of determining court applications. One of those comes under the term “alternative dispute resolutions”. I happen to be the chairman of the all-party group on alternative dispute resolutions, so it is an area I am aware of. The courts, too, are aware of this. When I sat in the commercial courts, the judges were very keen to ensure that when there was an option of alternative dispute resolution, people took it. Some did and some did not, but it is important that it is offered as an alternative to their carrying on with their day in court. If they do take the option, it is important to ensure that the alternative dispute resolution sector can also keep costs down.

When I sat with judges in the courts, the issue on their minds all the time was how to keep costs down. We went through this with a lot of the cost hearings and cut out quite a lot of the barristers’ fees. It is important to ensure that we can tell whether it is the changes to the courts that are having the effect on tribunal numbers, or whether it is the effect of the fees being charged. I say that because as part of the experience I spent a day with an employment tribunal. There were three members sitting and I asked them how long it would go on for. They said that they had scheduled six days for an employment tribunal that could have lasted one day, so the court fees had not had a significant effect on this individual bringing their case. They had assigned six days to it, because it was a litigant in person and they wanted to bend over backwards to provide the time for that individual to make their case. A much more sensible approach would have been to ensure that the case went on for a lot less time, while still preserving access to justice and ensuring that the litigant in person could still achieve what they wanted to achieve.

The senior judiciary have been pursuing one line of cost reduction, while the Government have been pursuing another. There is nothing wrong with pursuing reductions along a twin track, provided that the two groups work together and talk to each other. The criticism that came back to me from the senior judiciary I sat with was that the Government were not talking to them about the changes they were making. That is a great shame, because without that I do not see how we can make sense of, and really get to the bottom of, access to justice.

My hon. Friend the Member for Bromley and Chislehurst, the Chair of the Committee, has already highlighted the issues around the impact assessment of the changes to court fees and the fact that the information is still not available. He also pointed out that the Master of the Rolls was absolutely scathing about the quality of that evidence. I put that on record again, because it is very important when someone as senior as the Master of the Rolls is critical of the Government’s approach. I have to say that I share his views. The courts and tribunal fees are not a milch cow; it is a real issue of access to justice. Without the information we still have not received, we cannot assess the impact of the fees on access to justice and what impact they will have.
point made by my hon. Friend the Member for Bromley and Chislehurst (Robert Neill): the issues are complex and dependent on the differing circumstances. I think, however, that the taxpayer subsidising a claim is not generally prevalent back then—first, that it costs money to have, as we do, a decent court service, decent quality courts and an excellent quality of judges; and, secondly, that this cost should not just be for the taxpayer to shoulder.

We invested £300 million in the state-of-the-art Rolls building to hear large international and money cases. This gave the UK the quality of courts required to retain our premier status as the place to seek justice, using English and Welsh jurisdiction clauses, and thereby added greatly to the offering and income of UK plc. I have to ask, however, whether very high-value cases should be subject to a £10,000 fee cap. The first case to be heard in the Rolls building involved two Russian oligarchs and would have cost them hundreds of thousands of pounds per week in lawyers’ costs but, relatively, peanuts to hire the court and judge. I appreciate concerns that fees should not be so high as to impact on international competitiveness, but I would appreciate hearing from the Minister whether he feels that we have the balance right.

On employment tribunals, the claim figures may be smaller—most of the time—but the principle remains that the service has to be paid for. Given that an employment contract is a private contract that does not involve the state, except when the state is the employer, why should the taxpayer subsidise the private claim? I think we now have the right formula: so far as possible, and as the starting point, the fees paid by the applicant should cover the cost of the application, but following that, where it is in the interests of justice, people who need help should be individually assisted via a remission scheme.

In that context, I do not agree with the Justice Committee’s suggestion that the overall quantum of fees should be reduced, and I do not believe that its report justifies that in any event, although I accept that the Chairman has just acknowledged that more data are required to make the assessment.

The figures for employment tribunals are material. There were 67% fewer single cases from October 2013 to June 2015, although that still represents tens of thousands of claims per year. The fall in multiple cases by 72% was more expected, as lots of public sector equal pay claims were working their way through the system. There seems to be some debate, however, about the extent to which fees have put people off claiming, and this will always be a hard figure to tie down. The Committee speculated that it could be 13,000 a year, based on 26% of ACAS claimants saying they would not progress their claim because they found the fees off-putting. Of course, a significant proportion might have believed this, but possibly only or mainly because they had weak claims. We would need more research.

The debate around employment tribunal fees often focuses on the questions raised by vexatious or highly risky claims and the impact on business and the economy. I shall come back to these important issues, but they did not form the starting point of our initial review, which was, first, to get those who could pay to do so; secondly, to encourage parties to seek alternative methods of dispute resolution, where possible; and, thirdly, to maintain access to justice. I still maintain that those were sound principles on which to proceed, and I think that this has been justified by the very many judicial reviews, brought mainly by the trade unions, that have to date consistently failed.

I strongly believe that when a claimant could issue a claims form at zero cost to themselves, he or she had every incentive to do so—but, most importantly, every incentive to do whatever the weakness of the claim itself. The Justice Committee report describes a witness who suggested that vexatious claims may be less than 5% of claims, but that still represents a significant number for the unfortunate companies that are subjected to them. Witnesses also stated that fees had deterred claimants who would otherwise have won as the proportion of successful claimants has not increased, despite a fall in the number of cases.

Andy Slaughter: The hon. Gentleman says that 5% is significant, but we are talking about falls of 70%. If he is genuinely concerned about discouraging unmeritorious or frivolous claims, a small charge—not one of £1,200—might be appropriate. Does he not think that that amount is disproportionate, even if he agrees with the principle?

Mr Djanogly: I am coming on to alternative ways of funding. The starting point is to get cost recovery and then to look at individual circumstances, where necessary. I would have liked hon. Members to spend a little more time talking about the remission system rather than fees—perhaps one of my hon. Friends is about to do so. More winnable cases leads to more of them being settled before going to tribunal, but even if this is an access-to-justice issue it should be dealt through the remissions system rather than the fee itself.

I certainly recall personally the significant numbers of businesses complaining that the threat of employment claims alone was enough to put them off employing more people. Interestingly, this was very much more prevalent among small businesses than large ones. Indeed, this is reflected in the Justice Committee’s report, as the Chairman said, which clearly shows the CBI to be more relaxed on the issue than the FSB. This is undoubtedly because it is the larger companies that have the large HR departments that can manage claims as part of their overall business. For small businesses, processing a claim, let alone taking time off to go to tribunal, can take up an impossible amount of the principal’s time.

Angela Crawley (Lanark and Hamilton East) (SNP): Does the hon. Gentleman accept that if the employer is given an unfair financial position or advantage over the claimant, ultimately, regardless of whether it is a big or a small firm, the greatest cost will be borne by claimants themselves?

Mr Djanogly: The hon. Lady talks about unfair advantage, but I am not sure how she defines it, particularly if it is a single employer. Most of the FSB’s membership are two-person companies. If the hon. Lady is saying that it is unfair if it is one employer against one employee, I would say it was not. The answer to her question is that it would depend on the circumstances.

There grew a culture of settling claims, even weak claims, so that they would simply go away. The fact remains that there is more to business confidence than
statistics. If the indirect impact of fees has been to change this perception among business owners, which I feel it has, fees have made a significant contribution to an economy that is delivering the creation of the highest level of employment the UK has ever enjoyed. We should be cautious about meddling with that.

The big change from when I was a Minister in the Ministry of Justice is the use of ACAS conciliation. I should be interested to hear more from the Minister, but the figure of 83,000 claims being dealt with by ACAS at an early stage sounds very promising indeed. It was the policy of the last Labour Government and then of the coalition Government and this Government that alternative dispute resolution should be promoted as a cheaper, quicker, more consensual and less stressful form of sorting out problems, including employment disputes. I shall be interested to hear whether the Minister has plans to extend the use of ADR further still.

I note that, on access to justice, the Justice Committee’s report is rather limited to looking at the status quo—fees versus remissions, which seems to have a feeling of trade union influence.

Robert Neill: Will my hon. Friend comment on our specific proposal that there should be an uprating of the remission threshold to take account of inflation? Otherwise, there will be a risk of fiscal drag. That is one of a number of specific points we make about remission.

Mr Djanogly: It is useful to look at that, perhaps along with a wider review of the way in which remissions are working. A new system has been put in place, and I accept that such things need review.

The report totally overlooks the changing nature of the funding of legal claims now and possibly in the future—for instance, the use of loans to fund claims, or the use of no-win, no-fee agreements and insurance to fund claims. It assumes that the burden of risk is simply to be shared between claimant and defendant, which is unreflective of reality. What about the risk of claims being shared between insurers, lenders, lawyers—and, yes, even trade unions? For instance, should we not investigate what level of risk they should all take on board, before the taxpayer has to step in? Neither Opposition party statements so far, nor the Justice Committee report seems to be looking at the broader issues in an area where we need innovative ideas and an assessment of the wider marketplace. I would therefore be grateful to hear the Government’s views.

6.15 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): This debate is apparently about courts and tribunal fees. It is unfortunate that this Government’s programme of reforming courts and tribunal fees has been pursued as part of a wider Government austerity programme. In practical terms, this means that tribunal fees introduced in 2013 require financial contribution from claimants to have their case heard, and further fees look set to be imposed.

The governance and function of the management and operation of employment tribunals will be devolved to the Scottish Parliament in 2017, but the First Minister of Scotland has outlined her concerns about this system and expressed her desire to look forward to abolishing fees for employment tribunals. In the interests of justice, access to a fair hearing and fair work should not be the preserve of those who can raise the funds to have their voices heard, and it risks falling foul of the Human Rights Act.

We have heard that part of the reason for introducing such fees for claimants was to discourage weak and vexatious claims that, while costing the employee nothing, could impose significant legal costs on the employer. However, since these fees were introduced, we know there has been a significant drop in the number of claims accepted by the employment tribunal. Is anyone seriously suggesting that the drop can be accounted for by so-called “weak and vexatious claims” no longer being pursued? Surely the drop in claims must mean that many of these employees simply cannot afford to pursue their cases due to the costs involved, so they are effectively being priced out of the justice system.

Mr Jim Cunningham (Coventry South) (Lab): I agree with the hon. Lady. Organisations such as citizens advice bureaux or law centres in Coventry tell us that they are inundated with people who cannot afford to raise justice at tribunals because they cannot afford it. The real reason for the cuts in these budgets was very much the Government’s philosophy of making gigantic cuts, but the important point is that people are being denied basic justice.

Patricia Gibson: I absolutely appreciate the hon. Gentleman’s point: this is nothing to do with a justice agenda; it is about an ideologically driven motivation towards austerity that effectively hits people who cannot raise the funds for justice. Surely no one can defend that.

Research undertaken by Citizens Advice, which the hon. Gentleman just mentioned, has demonstrated that an eye-watering 82% of those surveyed who were experiencing problems at work said they would be deterred from bringing a claim due to the fees; and only 29% of respondents were aware that they could apply for a fee remission. We have heard a similar chorus of concern from the Law Society of Scotland and other experts, which shows that genuine cases are not reaching tribunals as a result of the prohibitive fees. The impact on women is particularly damaging and, as a result, unlawful employment practices are undeterred and are going unpunished.

Let us look at still further evidence that such fees are a barrier to justice. On 20 June, the Justice Committee published its review into court and tribunal fees and found that the introduction of fees for claimants in employment tribunals had led to a drop of almost 70%, as we have heard, in the number of cases. It found further that changes are urgently needed to restore an acceptable level of access to the employment tribunal system. That by definition shows that the Justice Committee, after its investigations and deliberations, found that the current level of access to the employment tribunal system is not acceptable. That is why when these powers are devolved to Scotland these fees will be abolished.

Access to justice cannot and must not be limited to those who can afford it. That is not acceptable in any country that seeks to see itself as enlightened and
The hon. Member for Bromley and Chislehurst (Robert Neill), who chairs the Justice Committee, says in its report on tribunal fees:

“Where there is conflict between the objectives of achieving cost-recovery and preserving access to justice, the latter objective must prevail.”

I could not agree more.

Worryingly, as has been pointed out, there has been a lengthy delay in the publication of the Government’s post-implementation review on the impact of employment tribunal fees, which aims to assess their effect against the three main objectives of transferring some of the cost from the taxpayer and towards those who can afford to pay and encouraging parties to seek alternative ways to resolve disputes while maintaining access to justice. Like the hon. Member for Bromley and Chislehurst, I am deeply concerned that such an implementation review has not taken place.

I crave your indulgence for a few moments, Madam Deputy Speaker. I would like the House to bear in mind that it is an estimates day debate. I believe it was Benjamin Franklin who said the only certainties in life are death and taxation. He was certainly right about the first, but recent events may suggest he was a wee bit off the mark on the second. However, there is another certainty in life that Mr Franklin overlooked: the one thing we may be sure will not be debated during a Westminster debate on estimates are the actual estimates. This issue may not exercise the minds of the general public, but that is because it is not well known outside this place just how little scrutiny there is of the spending plans of Departments. The scrutiny is negligible and it has suited successive Governments of all persuasions that it should be so. If the public knew just how inscrutable this process was, they would rightly be alarmed.

The estimates process is a very technical process by which spending is approved by Parliament. I further crave your indulgence, Madam Deputy Speaker, for just a few minutes more and ask you to allow me to recall that during the EVEL—English votes for English laws—my craving for your indulgence, and I will return momentarily to employment tribunal fees.

The process is such that these procedures simply do not give MPs the full opportunity to scrutinise any Barnett consequentials of England only or England and Wales only legislation, and that is required in a healthy and mature parliamentary democracy. We need not take my word for it; we have the opinion of an eminent Conservative MSP—an expert in the field, or so I have been told. It should be a consequence of EVEL that the supply process be reformed in the interests of this being a “process of development”, as promised and envisaged by the Leader of the House on 22 October 2015.

I thank you, Madam Deputy Speaker, for satisfying my craving for your indulgence, and I will return momentarily to employment tribunal fees.

Madam Deputy Speaker (Mrs Eleanor Laing): Order. For clarity, I should tell the House and the hon. Lady that she is perfectly in order. She is talking about estimates and this is an estimates day and, whatever anyone else says, in my judgment the points she is making are perfectly reasonable and ought to be debated.

Patricia Gibson: I thank you enormously, Madam Deputy Speaker, for that supportive comment.

Regarding employment tribunal fees, the SNP Government in Scotland understands, as I fear the UK Government do not yet seem to, that the introduction of these fees is a significant barrier to justice, not least for women facing maternity discrimination who cannot afford to take a rogue employer to a tribunal. Last year a report for the Department of Business, Innovation and Skills and the Equality and Human Rights Commission found that unlawful maternity and paternity discrimination is now more common in the UK workplace than ever before, with as many as 54,000 pregnant women and new mothers—one in nine—being forced out of their jobs each year.

We in Scotland will listen to the experts. We will abolish these prohibitive and punitive fees. It is the right thing to do and justice must be the guiding principle of all we do. When any state puts a price on justice for its citizens, that is a state in peril. I urge the Minister to reflect on this and reconsider the pernicious effects of such fees on ordinary working people.

6.28 pm

Victoria Prentis (Banbury) (Con): I am grateful for the opportunity to speak and to follow such experienced and learned speakers from across the House. I will concentrate on courts and tribunal fees. I am grateful for the opportunity to have served on the Select Committee that produced this report, and I wholeheartedly endorse the report and its recommendations.
I want to focus not on the more newsworthy aspects of the report such as employment tribunals, but on the structure and remission of fees. It is critical that fees do not impede access to justice. Fees are useful, and indeed necessary, for two reasons. First, they help to pay for the justice system, as my hon. Friend the Member for Huntingdon (Mr Djanogly) reminded us. Secondly, fees can be used effectively to deter frivolous and vexatious claimants. As ever, as has been said across the House this afternoon, getting the balance right is key. The introduction of fees before employment tribunals has clearly had an enormous impact on the number of cases issued, and it was right that we focused on that.

I know from speaking to many of my fellow barristers that fee increases have had a significant impact in other areas, particularly that of professional negligence. It is not the welfare of my fellow barristers that concerns me; it is the welfare of individuals such as those injured when medical treatment goes wrong and who cannot issue claims. That should be a matter of concern for us today.

The Justice Committee looked closely at fee structure and fee remission during our inquiry and received evidence from senior members of the judiciary, the Bar Council and the Law Society, among others. One suggestion to alleviate the deterrent effect of the increases was to allow fees to be met in a series of staged payments throughout the course of a claim. At first glance, staged fees seemed to be a good idea, but the suggestion was not universally supported by the evidence given to us by senior members of the judiciary. Both Lord Dyson and Sir James Munby were hesitant when questioned by the Committee about the concept of staging fees. Lord Dyson said specifically that it was not a proposal that he had previously thought about. He agreed that it was an interesting idea but voiced serious concerns about how fee staging might be used by respondents to put pressure on claimants at various stages of the litigation.

One solution, suggested by Sir Ernest Ryder, could be to adopt the Scottish civil justice model of requiring a respondent’s fee to be paid alongside sequential fees for claimants. This, he said, would level the playing field and place the risk more fairly on both parties. As the evidence did not point us clearly in one direction or another, the Committee’s proposal in this area is a tentative one. A graduated or sequential schedule of fee payments could be a positive step, but we feel that a pilot scheme should be carried out in the first instance to evaluate the best way to operate such a system.

I turn now to fee remission, and I shall again take employment tribunals as an example. To be successful in an application for remission, a claimant must first pass the disposable capital test and then the gross monthly income test. The claimant has to fill out a separate fee remission application for each court or tribunal fee. While taking evidence, we were given statistics about how many pages claimants had to fill in. The guidance booklet itself was 31 pages long. Major changes have been made with the introduction of a new, supposedly user-friendly way to deal with fee remission, which has now been rebranded as “help with fees”. There has clearly been some improvement but complexities remain. This is possibly symptomatic of the much wider problem of litigants in person not having a great deal of understanding of the system in which they have to operate. The situation clearly needs to be kept under review.

The Law Society has spent a considerable amount of time looking at fee remission in general and has called for the Ministry of Justice to introduce a system for regular re-rating of the remission thresholds to take account of inflation. It has also suggested that a further review of the affordability of civil court fees and the remission system should take place and that simplification in all areas should be considered. The Committee endorsed those proposals. Personally, I think that there is a lot of merit in the suggestion of enabling automatic remission for all basic rate taxpayers. That would simplify the system enormously. Fee structure and remission may not seem at first glance to be an obvious cause célèbre for reforming lawyers, but without structural change our justice system becomes less accessible and less affordable for those who need it.

6.33 pm

Justin Madders (Ellesmere Port and Neston) (Lab): I shall start by declaring that I practised as an employment solicitor for many years before I entered this place. My speech will focus primarily on the impact of employment tribunal fees, but I want to start by making a broader point. Many people are still struggling to understand why a majority voted contrary to the mass of economic evidence that leaving the EU would be bad for jobs and growth, and the subject matter of this debate should give us food for thought about why some people voted in the way they did. Messages about risks to the economy will only work if we have an economy that works for the whole population. Therefore, as well as aiming for full employment, we must ensure that the jobs we create are permanent, secure and properly paid. Telling people on zero-hours contracts or in agency work that there was a risk to their jobs from Brexit was not persuasive.

A culture has been created in this country that views employment as a flexible, disposable concept, not as the basic building block needed to create a cohesive and prosperous society. When the few rights that we have are locked away in a system that deliberately prevents people from enforcing them, we should not be surprised that so many voices say they feel disfranchised. For too long, the question of fairness at work has been at the fringes of political debate. I am sure that most hon. Members would agree that opportunity should exist for everyone, that there should be no glass ceilings and that those with different backgrounds should have just as much chance of making it into their chosen job as the next person. Too often, however, lip service is paid to those aims and—crucially, in the context of this debate—little thought appears to be given to the consequences of employment ending. There are workplace rights and protections that this place has deemed a necessary part of the social contract that the Government have with the country, and we must be absolutely sure that those rights can be genuinely be enforced if we are not to have an illusory system of protection. Opportunity, security and sustainability in work should be given as much priority as the creation of the job in the first place.

It is recognised that losing a job is a major cause of extreme pressure and stress in life. Many people who have lost their jobs have no discretionary income to speak of, and keeping a roof over their family’s heads
and putting food on the table will always take priority over pursuing a claim, no matter how badly they have been treated. I am aware that there is a fee remission system, but let us pretend that it is anything more than a fig leaf, because many people do not qualify for it. The average monthly take-home salary in this country is just under £1,800. Remission is not available to people on that salary, yet claimants are being asked to stump up two thirds of that amount to pursue a tribunal claim. It is simply unrealistic to expect them to do that, and I agree with Lord Dyson’s view that “ordinary people on modest incomes” will “inevitably be deterred from litigating.”

We have heard from the Chair of the Justice Committee, the hon. Member for Bromley and Chislehurst (Robert Neill), about the recommendations in his report, so I will not repeat them, but it is quite remarkable that the Committee feels that it has been strung along by Ministers in relation to the outcome of the review of employment tribunal fees. The review was commissioned over a year ago and it has apparently been on the Minister’s desk for nine months. Having heard the Minister previously responsible for this area flounder in a Westminster Hall debate on this subject, I think it is pretty clear that the review has been sat on because the introduction of fees has been a disaster.

We know that this has been a disaster because the number of tribunal claims being lodged fell off a cliff following the introduction of fees in July 2013. Whatever comparisons are used, there has been a drop of around 70% on average in the number of claims lodged. Other Members have already mentioned the fact that the TUC and Unison provided statistics to the Select Committee comparing the number of cases brought in the first three months of 2013 with the number brought in the first three months of 2015. Those statistics showed that claims relating to the working time directive were down 78%, wages claims were down 56%, unfair dismissal claims were down 72%, equal pay claims were down 58%, breach of contract claims were down 75% and sex discrimination claims were down 68%. I am sure that the Government would like to claim that the success of the ACAS early conciliation scheme explains the drop, but that scheme was not in place for the period immediately after fees were introduced, and we know from an ACAS survey that at least 26% of claimants who did not progress their cases said that they did not do so because they found the fees off-putting. Lord Justice Underhill, referring to employment tribunals, has stated in the High Court:

“It is quite clear from the comparison between the number of claims brought in the ET before and after 29 July 2013 that the introduction of fees has had the effect of deterring a very large number of potential claimants.”

The hon. Member for Huntingdon (Mr Djanogly) suggested earlier that the introduction of loans to fund claims might be an option, but who is going to lend money to someone who has just lost their job? That is completely unrealistic. Substantial evidence was put to the Select Committee that fees were encouraging employers not to resolve disputes as they knew that many employees would not be able to find the fee to pursue their claim. This leaves us with unresolved complaints and unenforceable rights because of a Government policy that effectively rewards and encourages bad practice. The Committee reported that many judges say that they now hear no money claims at all. As my right hon. Friend the Member for Delyn (Mr Hanson) mentioned, the report states:

“Prior to the introduction of fees money claims were often brought by low paid workers in sectors such as care, security, hospitality or cleaning and the sums at stake were small in litigation terms but significant to the individual involved. There are few defences to such claims and they often succeeded.”

Like my right hon. Friend, I do not buy for a minute the idea that all those employers have suddenly changed their behaviour and everyone is being paid correctly. What is far more likely is that those whose wages are being docked are saying to themselves, “It will cost me more to go to a tribunal to recover the money than the amount that I have lost, so can I actually afford to challenge it?” The rules have a disproportionate impact on those whom employment laws are there to protect, whether those with the least resources or those who have been discriminated against in work. The current system gives employers an incentive not to respect such rights.

Employment tribunals play a vital role in ensuring that basic rights—such as the rights to a minimum wage, paid holidays and maternity leave, and the right not to be unfairly dismissed or disadvantaged—are effective. Valuing those rights, such as they are, is not enough; the ease with which people are able to exercise them is just as important. They are not just about individual dignity and respect in the workplace. They bring important social and economic benefits to the country. They ensure that more people can participate in the labour market without facing unfair discrimination. They give vulnerable workers more job security and stability of income. They help to produce a committed and engaged workforce and encourage the retention of skilled workers, and they allow people to plan their lives and plan for a future, knowing that if they do a good job and their employers run their businesses well, they are likely to stay in work. What we have instead is a “hire and fire” culture, in which workers are seen as disposable commodities—figures on a spreadsheet—rather than people with real lives who actually matter.

It seems to me that the Government are incapable of recognising the importance of employment rights. As we enter a period of tremendous uncertainty with the fallout from Brexit, we need, now more than ever, a Labour Government to protect those whom we represent, and we must all reflect on how best to achieve that. Although I do not doubt that there will be differing views on the way ahead, I sincerely hope that all members of my party will agree that if we cannot unify and present ourselves as a serious Government in waiting, we cannot expect to do a single thing to reverse this contemptible, repugnant race to the bottom.

6.41 pm

Andy Slaughter (Hammersmith) (Lab): It is a pleasure to follow my hon. Friend. The Member for Ellesmere Port and Neston (Justin Madders), who knows far more about the issue of employment tribunals than I do. For understandable reasons, that issue has dominated the debate. I practised in the civil and criminal courts before I came here, but that seems some time ago now.

Let me begin by complimenting the Justice Committee, its Chair—the hon. Member for Bromley and Chislehurst (Robert Neill), who spoke very persuasively today—and
all its members, including my right hon. Friend the Member for Delyn (Mr Hanson). It has produced a good report, which makes our task easier because we can endorse it and agree with its recommendations, many of which do not pull their punches with the Government. I might go further in some respects, but I suspect that it will be sufficient to ask the Minister to respond to the points made by the Committee. I trust that he will not simply say that matters will be dealt with in due course; I have become rather used to his saying that.

I apologise to those on both Front Benches for the fact that I may not be able to stay for the closing speeches. If I cannot, I will of course read the Minister’s comments assiduously tomorrow, as I always do. He has made some interesting speeches recently.

I have another reason for not saying much about the substantive issue. During the five years for which I held the shadow brief—until last year—I probably said everything that I wanted to say about courts and tribunal fees. However, unusually, I want to correct something that was said earlier by my hon. Friend the Member for Kingston upon Hull East (Karl Turner). I did not take the view that fee increases should always be opposed. On the contrary, given the constraints on the public finances, and the particular pressures on the other parts of the Ministry of Justice budget—which are now coming to fruition in very unpleasant ways that affect the prison service and legal aid—I always took the view that fee increases were appropriate, and that full cost recovery, and in some cases more, could be justified on its merits, provided that it did not interfere detrimentally or substantially with access to justice.

That is where the Government have lost their way. In fact, they have lost their way rather more than that: they eventually began to introduce changes that were self-defeating, such as the criminal courts charge, and had to do a U-turn. The report criticises many elements of fees and charges, not just employment tribunal fees but civil fees, which have risen by up to 600%—that figure alone should have set alarm bells ringing—commercial fees, and the fees for divorce. Now there are proposals for an increase of up to 500% in immigration tribunal fees. Those increases will clearly not be affordable, especially in the light of a remission system that does not appear to function properly.

I think that many Members have concentrated on the issue of employment tribunal fees because we have had more time to experience it, and because there is something particularly insidious about the way in which the fees were introduced. They have led to a 70%—in some cases, an 80%—drop in the number of claims, which must have been the intention, because this does not represent a great saving of public finances. I think that the estimate is about £10 million a year, and although that is a substantial sum, it is not substantial in the context of the overall budget. The aim appears to be to restrict access in a way that some employers may find convenient, but people who are experiencing a time when they are vulnerable, have little money at their disposal, and face having to undergo what is, even at a tribunal, the intimidating process of putting their case forward will be easily put off. They do not need fees, and they certainly do not need fees at this level, to discourage them.

I do not want to take up too much time, so let me return to a point that I raised during the speech of the hon. Member for Bromley and Chislehurst. It is one of the few points on which I disagree with the Committee. It relates to Freedom of Information Act appeals from the Information Commissioner to the First-tier Tribunal. The Chair of the Committee was very kind in replying to my intervention. The Committee said that, according to the Independent Commission on Freedom of Information,

“considerable resources and judicial time are being taken up by unmeritorious appeals”. It recommended that legislation should be introduced to remove the right of appeal to the First-tier Tribunal against an Information Commissioner decision”;

only allowing an appeal to the Upper Tribunal on a point of law. The report continues:

“This recommendation is under consideration by the Government. We see no reason to disagree with the Commission’s view.”

This is not really a criticism, but it appears that the Committee ticked a box because it had not received submissions. I accept, if that is what the Chair says, that it had not received submissions to the contrary, but the independent commission had certainly received many such submissions. It may well be that the Committee did not receive any because the impression given by the report was that it concerned levels of fees and charging rather than the existence of rights of appeal in themselves.

Let me return to what the commission said, and why the Committee may have been led into error. There appears to have been a simple confusion between unmeritorious appeals, which are weeded out—between January 2014 and March 2015, 10% cases were struck out for being unmeritorious—and unsuccessful appeals, which are very different. The Committee said that 79% of appeals to the First-tier Tribunal against the Information Commissioner were unsuccessful, but that means that more than 20% were successful.

In my experience—indeed, my experience as a litigant: I have been a frequent user of the Freedom of Information Act, and have gone through all those stages, up to the First-tier Tribunal—it is an absolutely necessary safeguard. The Information Commissioner does a good job although he is under-resourced, and, generally speaking, the independent commission did not come up with the horrors that we all thought it was going to come up with, such as charging more, restricting access, or in other ways trying to discourage freedom of information requests. Nevertheless, the appeal to the First-tier Tribunal is an extremely important stage of the process.

Let me exemplify that by referring to some of the cases that have succeeded at that level in the past year. I am grateful to the News Media Association, a combination of the Newspaper Society and the Newspaper Publishers Association, which, understandably and for very good reasons, wishes to see this right of appeal. I am particularly grateful to the Campaign for Freedom of Information, led by the redoubtable Maurice Frankel, who has rung alarm bells on the issue.

Let me give half a dozen examples. The First-tier Tribunal ordered the Cabinet Office to release information about the adoption of the selection criteria for appointing members of the Chilcot inquiry. It told the Ministry of Defence that it was wrong to withhold information about its failure to warn soldiers that they will get a criminal record if convicted of minor disciplinary offences. It ordered the Department for Education to reveal
of the reduction in the number of cases being brought. It ordered the Cabinet Office to disclose documentation for the expenses, of up to £115,000 per annum each, claimed by four former Prime Ministers in connection with their public duties. It also ordered—the Minister will appreciate this one—the Ministry of Justice to identify landlords convicted of Housing Act 2004 offences for letting dangerous or grossly substandard accommodation. Those are just some examples from central Government; there are even more examples from the national health service and local government.

I ask the Chair of the Justice Committee, who is a fair and reasonable man, to reconsider the issue. I assure him that the bodies that I have mentioned will be delighted to supply him with a plethora of information, just as they provided such material to the Independent Commission on Freedom of Information, albeit in vain.

The Freedom of Information Act was one of the key pieces of legislation of the previous Labour Government. Like anything else, it can be open to abuse, but it is generally used well not only in individual instances, but in promoting good government. It is right that the Information Commissioner’s Office is independent, but the Information Commissioner does not always get everything right. A 20% success on appeal rate is good, and the role of the First-tier Tribunal is materially different from that of the Information Commissioner. It brings a judicial eye to proceedings and, from the results that we have seen, allows for fresh and fuller scrutiny.

I will end on that point so as not to take up any more time, but I hope that that single issue—I apologise for picking out what I think are the errors in the report and do not mean to obscure the many good things in it—will be reconsidered by both the Committee and the Government.

6.52 pm

Marie Rimmer (St Helens South and Whiston) (Lab): May I first agree with the deserved compliments to the Chair of the Justice Committee, the hon. Member for Bromley and Chislehurst (Robert Neill), made by my hon. Friend the Member for Kingston upon Hull East (Karl Turner) and for Hammersmith (Andy Slaughter)? It has been a pleasure to serve on the Committee, which has been bipartisan and united in its conclusions.

The Government’s case for introducing fees was cost recovery, but with spend at £71.4 million and income at £9 million that has failed, and the goal was to reduce the number of vexatious claims, which I will address in more detail later. The issue for the Committee was whether fees have had an unacceptable impact on access to justice. The introduction of fees has led to an enormous drop—approaching 70%—in the number of cases brought. It is well worth repeating what my right hon. Friend the Member for Delyn (Mr Hanson) said about single individual tribunal cases declining by 72%; vexatious claims

The evidence submitted to the Committee was that of the 60,800 early conciliation notifications made in the period from April to December 2014, 15% were settled and only 22% progressed to an employment tribunal. Some 63% of notifications—38,304—dropped off the radar. I put it to the Chamber that that was down to affordability.

Comparing the cases in the first three months of 2013 with those in the same period in 2015, the TUC and Unison, as referred to by my hon. Friend the Member for Ellesmere Port and Neston (Justin Madders), found that the most common types of cases where access has been restricted since the introduction of fees were those relating to the working time directive, down 78%; unauthorised deductions from wages, down 56%; unfair dismissal, down 72%; equal pay, down 58%; breach of contract, down 75%; sex discrimination, down 68%; and pregnancy-related detriment or dismissal, down 40%. That is quite shameful in a democracy.

In an ACAS survey, 26% of claimants who did not progress their cases said they did not do so simply because they found the fees off-putting. Tribunal fees have the opposite effect to what the Government are saying. They do not encourage early conciliation because the employer has no incentive to settle in cases in which the claimant may have difficulty raising the tribunal fee.

The Senior President of Tribunals said: “The Council of Employment Judges and the leadership judges would all say that there is clear behavioural material as to the way in which respondents—employers—“are behaving. They are avoiding engagement in conciliation processes and waiting for the next fee to be paid, which means that settlement opportunities are lost.”

Kate Booth, from Eaton Smith LLP, legal representatives of both employers and employees, asked why would employers engage in early conciliation? She said:

“You wait for the employee to pay a fee. Ultimately you want to call their bluff—are they prepared to put their money where their mouth is?—so you sit back and see whether they do it.” In other words, they want cases to drop off.

The Law Society and the Police Action Lawyers Group claim that there is emerging evidence of people and employers hanging back, waiting to see whether a claim progresses before settling. There is little evidence to suggest that such claims are vexatious. In evidence to the Committee, the charity Working Families said that vexatious claims “may be less than 5%, even less than 2%”. The Senior President of Tribunals said that if the aim was to remove vexatious claims, one would have expected the success rate of claims to go up, but, in so far as there is any material available at the moment, the evidence is to the contrary. Not only have the success rate and the appeal rate not significantly changed, but the policy has failed to reduce the number of unmeritorious claims.

The timing and scale of the immediate reduction following the introduction of fees leave us in no doubt that the clear majority of the decline is attributable to fees. The drop in tribunals was not predicted by the Government. Even when employment law changes are taken into account, as the Minister said in Committee, the drop was down to tribunal fees putting people off exercising their right. Again, affordability is the main issue. A limit is being placed on access to justice in employment cases for those who are most vulnerable in the system.
In evidence to the Committee, the chief executive of Thompsons Employment Solicitors said that Ministers are not clear about the purpose of the fees. Are they intended to fund the tribunal system? If the tribunal system is to be funded by users, it should be taken into account that employers are also users. If it is to deter claims, fees are not effective. The costs system present in other civil cases is a better method. If someone brings a claim that has no merit and is unsuccessful, the employer can apply for costs. There is simply no evidence that there are loads of vexatious claims in the system. If employers face vexatious claims and are properly advised, they will oppose them. If they succeed, they will apply for costs. That is the appropriate deterrent and it already exists.

Factors that need to be taken into account include: the effectiveness of fee remission, as mentioned by the hon. Member for Banbury (Victoria Prentis); the vulnerability of claimants and their means by comparison with respondents, which may pose particularly problems in respect of inequality of arms when individuals or small businesses are seeking to uphold their rights against the state or major companies; and the degree of choice litigants have in whether to use the courts to resolve their cases and achieve justice. There should be a clear and justifiable relationship in the fee system between those factors and the degree of financial risk litigants are asked to bear.

Where there is conflict between the objectives of achieving full cost recovery and preserving access to justice, access to justice must prevail. The Select Committee report recommendations are clear. First, the Government should publish the factual information collated as part of their post-implementation review. The goalposts have been moved four times and they should publish now, without further hesitation. Why has this information not been published? Secondly, the overall cost of tribunals must come down. Thirdly, the financial thresholds for fee remission must be increased, and only one application should be required, thereby aiding access to justice. Fourthly, the binary type A/type B distinction should be replaced by a fee system that is fair and does not preclude the state or major companies. Fifthly, further special consideration must be given to the position of women alleging maternity discrimination or pregnancy discrimination. Their savings in support their new born child or soon-to-be-born child might be being used as collateral towards industrial tribunal fees, thus affecting any remission, and that is off-putting.

I recognise that the Committee’s recommendations, put simply by me, would have cost implications for the Ministry of Justice, but we should note that an increase in the number of legitimate claims would in itself bring in additional fee income. I stress again that if there was a choice between income from fees and the preservation of access to justice, the latter must prevail. Indeed, as the Master of the Rolls reminded us in his evidence, the Lord Chancellor is required by statute to have regard to the necessity of maintaining access to justice.

7.2 pm

Hannah Bardell (Livingston) (SNP): I am grateful for the opportunity to speak in this debate, albeit at the last minute. I rise to speak having heard many of the statistics, which I still find shocking to hear, and I wish to give some personal reflection and context. My grandmother had many tall tales to tell when I was growing up, but one I always remember is the story of how she met my grandfather while working in munitions at the Rolls-Royce factory in Glasgow during the war. After the war, she went back to work to be a seamstress. When she got married and returned to work, she was “given her books”: her employment was terminated and she was unemployed. There were no tribunal fees in those days, and I often reflect on how we have come a long way, although not far enough.

Before I came to this place, I worked in the corporate sector for a number of years, where I managed a small team. A team member went on maternity leave as I started my employment, and just as she was coming back I was advised by the human resources department that if she took longer than nine months, I did not have to give her her job back—I just had to give her any job. I could not believe that. I found it incredible that someone senior—a marketing manager—was not allowed to get her job back. As a manager, I was put in the position of finding her any job.

This debate is about tribunal fees. They play a part here, but how we look at this is as much about company culture and our culture as a society. We also have to look at it in terms of the productivity gap, as I said in my intervention. We want to get people back to work and to encourage them. That is particularly true in the case of women, who are often marginalised, as so many of the reports have said. Having 400,000 women in this country experiencing discrimination in employment is not a mark of a modern or progressive society. Therefore, if we reduce people’s access to justice, it does not take us forward in any regard. The International Labour Organisation said in a 2014 report:

“Fathers undertaking a more active role in caregiving is likely to be one of the most significant social developments of the twenty-first century.”

This is therefore not just about women in the workplace and discrimination against them; it is also about men.

When the Equality and Human Rights Commission came to me a couple of weeks ago and talked me through some of the statistics and the issues relating to tribunal fees, I was staggered. I was told of the 56,000 women being put out of employment—that figure has been mentioned a number of times—and how 10% of mothers say that their employer discouraged them from attending antenatal appointments. We must get tougher. A number of Members from across the Chamber have legal backgrounds. There is a significant gap between people who are being discriminated against and the courts and the lawyers firms, which are undoubtedly making a significant amount of money out of cases.

Our courts are also being clogged up by cases that could be solved in other ways. I recently visited Australia, where I wanted to see how its small business commissioner operated by comparison with the legislation that has been introduced in this House. I found it incredible that Australia had a federal commissioner and individual state commissioners. They had developed a culture across Australia of resolving issues before they got to the courts, and that was very much welcomed by the legal profession. I wonder whether the Minister would consider that as a proposal and as something meriting further discussion: a commission with greater powers, sitting between the judiciary and businesses. There will have to
be a carrot-and-stick approach at some point. I think of
the number of times I have heard small and medium-sized
enterprises saying, or people reporting, how they have
had difficulties in supporting women through
having children. We need to incentive small businesses,
and individuals to start and develop their businesses.
The fact of the matter is that women have children; we
are not at the stage yet in genetics where men can carry
children. We have to accept the fact that women are
care bearers, and they bring so much to the economy
and to our nations when they have children and continue
on the next generation.

Some of the recommendations that Maternity Action
made in its evidence to the Women and Equalities
Commission were particularly interesting. They included
having a single website and clear information for women
who are going to be going on maternity leave or are
thinking about having a family. There was disappointment
about the withdrawal of the “Birth to Five” book and
on the health and safety issue: the Government’s own
research says that 41% of all pregnant women face
health and safety risks being not properly managed by
their employers. Those are damning statistics. We have
to map out the problem and understand that it is good
for their them and for society for women to have flexible
working, and the Government have to support that—it
will not happen on its own.

In conclusion, we are a family of modern, progressive
nations. Scotland is leading the way, in abolishing fees
and giving access to justice. I hope that the Minister has
an eye on the north and is taking notes.

7.8 pm

Dr Rupa Huq (Ealing Central and Acton) (Lab): I
rise to speak as a member of the Justice Committee,
whose report we are considering. I wish to add my
hearty congratulations to our Chair, the hon. Member
for Bromley and Chislehurst (Robert Neill), on his
brilliant opening statement; for a while, I thought that
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and giving access to justice. I hope that the Minister has
an eye on the north and is taking notes.
other side can afford them. If not, there is no point in the public policy initiative to settle before the case gets to the courtroom door.

My hon. Friend the Member for Hammersmith (Andy Slaughter) talked about claims without merit. I will not go into that, as I said I would be brief.

The Government’s policies have impacted on access to justice in a number of ways. Employment tribunal fees were introduced not in a vacuum, but against a background of measures such as the civil court fees increase, legal aid cuts, restrictions on judicial review, the Trade Union Bill, and the proposal to repeal the Human Rights Act. Some Ministers have mooted leaving the European convention on human rights. In our opinion, the cumulative effect of all these things is chipping away at access to justice.

I am a member of Unison, which has said:

“Over the last three years tribunal fees have prevented many people who have been wronged at work from taking their employers to court.

Unscrupulous bosses can hardly believe their luck. They can pretty much treat their staff as badly as they choose, safe in the knowledge that they are never likely to be taken to a tribunal.”

Unison is mounting a legal challenge, which is due to be heard at the Supreme Court later this year. Other stakeholders have voiced similarly damning criticisms. The Bar Council called it “a shot in the dark”. Citizens Advice highlights the anomaly whereby the fees are higher than the sum claimed, so they make no business sense. The Law Society talks of “treating justice like a commodity”.

Our report says that “the overall quantum of fees charged for bringing cases to employment tribunals should be substantially reduced”.

I say they should be completely abolished. In the words of the report, “further special consideration should be given to the position of women alleging maternity or pregnancy discrimination.” I would drink to that any day.

I agree with the report’s finding that “the increase in the divorce petition fee, from £410 to £550, be rescinded”, and that the review of the employment tribunal fees needs to be published before the Government steam ahead with the hare-brained mistaken aim of full costs recovery in the immigration and asylum chamber. There are more holes in these policies than in a colander—tribunal fees preventing access to justice and trampling on the cumulative effect of all these things is chipping away at access to justice.

Employment tribunal fees have been mentioned by many hon. Members primarily because 54,000 women are forced out of their workplace every day by discrimination. If there was a need for evidence that the tribunal fees system is not working, that is it. Since the introduction of employment tribunal fees in 2013, there has been a 76% decline in the number of tribunal fee claims.

I will dispense with statistics for now and highlight some of the reasons employment tribunals exist. They are intended to assist not just women, but any worker who faces unfair dismissal or discrimination in their workplace. Such pressures are compounded by the fact that those people are often the most vulnerable in society. Despite many calls from across the Opposition Benches, I suspect that the Minister is not listening to any of the arguments that have been made thus far about employment tribunal fees being tantamount to a barrier to access to justice. They compound discrimination against women, in particular in maternity discrimination cases, but they can affect all workers.

We have heard from trade unions about when these issues compound the experiences faced by many workers. The trade unions have focused particularly on those on zero-hours contracts, who are offered little or no job security. If they bring a challenge against their employer, they may have no further work and no further hours, so they will not be able to put food on the table to feed their families. Unfair dismissal therefore affects not just women but many workers across the spectrum.

ACAS—the institution the Government proudly highlight as the main arbitrator in this—has indicated that 26% of people simply did not progress a claim, because the tribunal fees put them off. If their own statistics are not enough to tell Ministers the system is not working, I do not know what is.

Working Families has highlighted that there is a growing category of rogue employers—something the Government have not seen fit to address. Siobhan Endean, from the Unite trade union, has indicated that employers are confident that claims will not go to a tribunal, because people cannot afford the basic £1,200 fee that would be imposed on them to implement proceedings in the first place.

The Equality and Human Rights Commission has rightly highlighted the severe impact on women. Its review was done in conjunction with the Department for Business, Innovation and Skills, so the Ministers have further statistical evidence that their tribunal fees system is not working.

Some 77% of people have experienced negative or potentially discriminatory practices in their workplace. There has been a 76% decrease in the number of people who have gone to tribunals. As one of my colleagues said earlier, that cannot be attributed merely to vexatious or unmeritorious claims—it is clearly because the fees are a barrier. I cannot emphasise that enough.

The Women and Equalities Committee conducted a review of pregnancy and maternity discrimination issues, and one of our key findings was that the three-month time limit is insufficient. It is probably the furthest thing from a pregnant woman’s mind to start filing a claim against her employer. However, even if the time limit were extended to six months, the bottom line is that it

7.17 pm

Angela Crawley (Lanark and Hamilton East) (SNP):
I shall focus on three key points that are essential to this debate—the fundamental principle of access to justice, the clear fact that the introduction of fees is a barrier for women who are pregnant or experiencing maternity discrimination, and the post-implementation review of the introduction of tribunal fees. I am sure the Minister will pay close attention.
would be completely impractical for any woman who has just had a child or who is pregnant to go through this procedure.

Joeli Brearley, from Pregnant Then Screwed, said she was unable to pursue justice, because she was pregnant and was informed that going ahead would be stressful and have a negative impact on the birth of her child. That is the reality for many women. Why will the Government not understand the simple fact that three months is insufficient for women who are pregnant and who have experienced discrimination in the workplace? They simply cannot access the justice they deserve. I hope the Minister will give that point about the time limits due consideration, because it is absolutely pertinent.

When the Committee visited Portsmouth, women told us they are subject to harassment and bullying and are refused time off for antenatal classes. Maternity Action highlighted the fact that the overwhelming majority of women simply cannot afford tribunal fees. Aside from fully abolishing or hugely reducing fees—I understand that the Justice Committee reports suggests that—simply increasing the time limit would make a sizeable difference to the number of women who can progress claims. I sincerely hope that Ministers will bear that in mind.

The fact is that less than 1% of maternity discrimination claims proceed to tribunal. That means that 99 out of every 100 women who experience discrimination have no legal redress whatever. With the greatest respect, therefore, I am going to quote the Under-Secretary of State for Justice, the hon. Member for North West Cambridgeshire (Mr Vara). A few months ago, I asked him whether he would continue to defend the introduction of tribunal fees—I suspect they are a means to eliminate the budget deficit, but they also fail to address the fundamental principle of access to justice. You said we require “a responsible approach” to funding services, so I am going to ask him a few questions. Is it responsible to allow people to be put out of work? Is it responsible to allow rogue employers to act as they wish, regardless of employment law? Does the knock-on impact on economic growth really help to redress or reduce the budget deficit?

I think I have clearly made my three points. One was about the fundamental principle of access to justice. One was about the time limit, and the potential to increase it from three months to six months, as recommended by the Maternity Action Group, Pregnant Then Screwed and many other organisations. I have also outlined to you—

Madam Deputy Speaker (Natascha Engel): Order. I have let this go a few times. When the hon. Lady says “you”, she is addressing the Chair. Could she refer to “the Minister” or “the hon. Gentleman”?

Angela Crawley: I am sorry, Madam Deputy Speaker. If the Minister addressed each of those points in turn, I would be eternally grateful.

The conclusion I would like to draw is that the introduction of fees is a fundamental barrier to access to justice for not only women but all workers. The simple fact is that the time limit could be extended, and that should readily be considered. I hope the Government will do that. Ultimately, I would call for the outright abolition of tribunal fees, because there is no statistical evidence to suggest that they have decreased the number of vexatious or unmeritorious claims; all they have done is limit the number of women, in particular, who can bring claims. If the Government will not commit to abolishing fees, will they at the very least consider the Justice Committee’s recommendation of a significant reduction? However, I and my SNP colleagues would call for them to consider outright abolition. The First Minister said that when this area of law is devolved to Scotland, we will abolish tribunal fees if it is possible to do so. Will this Government make the same commitment for workers across the UK?

The Parliamentary Under-Secretary of State for Justice (Mr Shailesh Vara): Where will you get the money?

Angela Crawley: The Minister proves my point: budget deficit reduction should never come above access to justice.

With no financial penalty, Scottish women may soon face fewer barriers when they exercise their employment rights and seek access to justice. The same may not be said for other women across the UK. It is time for someone to stand up for hard-working women and other workers across this country and to demand equal access to justice for everyone across the UK. Women have waited three years for the post-implementation review of tribunal fees. Should they have to wait another three years for the Government to clear their debts and to consider this issue seriously? Ultimately, access to justice is the fundamental principle at stake here. I hope the Government will hear my questions and answer them.

7.28 pm

Richard Burgon (Leeds East) (Lab): It is a pleasure to respond for the Opposition. I am following in the footsteps of a very learned gentleman: Baron Falconer of Thoroton. In terms of my legal career, I am not quite so learned. Before I was elected to represent my constituents, I was a lawyer for 10 years in my home city of Leeds. In eight years as an employment lawyer, I saw—like my hon. Friend the Member for Ellesmere Port and Neston (Justin Madders)—many changes to employment law. As an employment lawyer, I was angry at what the introduction of employment tribunal fees in 2011 did to access to justice. Today, I am here at the Dispatch Box to speak up for all those whose access to justice has been deliberately obstructed by this Government and the coalition Government who preceded them.

I want to share with hon. Members my memory of the first time I lodged an employment tribunal claim after the introduction of employment tribunal fees in 2011. I was shocked and saddened to see the following words appear on the computer screen: “Customer, please enter your credit card details”. That made me sick to my stomach. Are we saying that people attempting to assert their statutory rights, such as the statutory right to be paid the national minimum wage and the statutory right not to be discriminated against at work on grounds of gender, sexuality, religious belief or disability, are reduced to being consumers or customers?

Mr Djanogly: Will the hon. Gentleman give way?

Richard Burgon: I will not be giving way because there is limited time and I want to give the Minister as much time as possible to answer.
[Richard Burgon]

Are we saying that these people are reduced to being customers? In fact, they should be viewed as citizens trying to assert their statutory rights and to seek justice. [Interruption.] The hon. Member for Huntingdon (Mr Djanogly) is annoyed, but not as annoyed as many across the country who have seen their access to justice so unnecessarily restricted.

The Select Committee’s report, which I commend, recommends that “the overall quantum of fees charged for bringing cases to employment tribunals should be substantially reduced” and that “the Ministry…should introduce a system for regular rerating of remission thresholds to take account of inflation”.

I think, as do plenty of people outside this place, that we need to go further than that, but the report is nevertheless to be commended.

We have heard excellent contributions to this debate from hon. Members on both sides of the House. I particularly welcome the opening speech by the hon. Member for Bromley and Chislehurst (Robert Neill), who is Chair of the Justice Committee, which, as he explained, unanimously supported the report’s recommendations.

In response to a point made by my hon. Friend the Member for Hammersmith (Andy Slaughter), we do recognise the concerns of the Campaign for Freedom of Information.

How can it be disputed, after what we have heard today, that access to justice has been harmed, not helped, by this Government and their coalition predecessor? Many of us know of this from our own experience as MPs, with our constituency advice sessions overflowing with people who do not know where to turn when they cannot access or afford legal advice or legal representation.

Legal aid has been attacked, employment tribunal fees have been introduced, and fees are being increased in divorce proceedings and in immigration and asylum cases. As my hon. Friend the Member for Brent Central (Dawn Butler) indicated, they have a discriminatory impact.

The Select Committee is right to be concerned about the effect of court and tribunal fees on women in particular. The increase in the divorce petition fee from £410 to £500 disproportionately hits women, who are the vast majority of divorce petitioners. Why should the Government be increasing what could be termed a “divorce tax” on people, including women, who have suffered domestic violence or emotional abuse? Why are the Government charging more for a divorce petition than it costs to process it? Should the state really be making money from people’s misery? What have people bringing cases in the immigration and asylum chambers done to deserve a proposed 600% increase in fees? This is an attack on some of our society’s most vulnerable people—those seeking asylum. As we heard here last week, this takes place against a backdrop of growing attacks on people who are perceived to be migrants.

Let me turn to the Select Committee’s concerns about employment tribunal fees. The report quotes from the Odysseus Trust, which describes tribunal fees as “a tax on justice imposed to enable HM Treasury to profit from people seeking to enforce their legal rights”.

The same paragraph quotes the organisation, Working Families, which says that “these fees imperil the rule of law.”

That is also the view of legal experts. The Select Committee heard from Jonathan SmITHERS, the president of the Law Society, who said that there was the possibility of “a two-tier justice system for the rich and the poor” and that any increase in fees will militate for that rather than against it. Chantal-Aimée Doerries, chair of the Bar Council, said:

“Our members who practise in the employment tribunals have very much formed the conclusion that the challenge at the moment is the level of fees in terms of access.”

The Select Committee concluded, and I hope that the whole House weighs these words very carefully:

“Where there is conflict between the objectives of achieving cost-recovery and preserving access to justice, the latter objective must prevail.”

I could not agree more.

Employment tribunal fees have cut access to justice. As we have heard, there has been a 70% or so reduction in employment tribunal cases being brought. Cases on unauthorised deductions from wages are down by 56%. Cases on unfair dismissal are down by 72%. Cases on equal pay are down by 58%. Cases on sex discrimination are down by 68%, and cases on race discrimination are down by 60%. As my right hon. Friend the Member for Delyn (Mr Hanson) observed so effectively, is anybody seriously arguing that this drop in the number of claims being brought means that there has been a sudden damascene conversion of all the employers in the country and that bad treatment has been abolished and consigned to the history books? Of course not; it is just that claims are not being brought. We must remember the deterrent factor. Employment tribunal claims do not just help those who bring them; they also help those who would never dream of doing so. The possibility of the claim being brought acts as a deterrent against employers engaging in bad and discriminatory behaviour.

The true nature of the remission system must be discussed. I remember, when I was an employment lawyer, helping people to fill in the remission fees forms and watching them do so, with the amount of humiliating detail they are expected to go into in providing so many bank statements and all their other details. I remember getting documents back from the employment tribunals service where people had highlighted in yellow on someone’s bank statement the fact that they had had £12 transferred into their bank account by a relative and asked them to explain what this money was for, where it had come from, and why. Unison is correct to say that the remission system is not working. Unison argues that the equality impact assessment of July 2012, before the introduction of fees, said that it was expected that 23.9% of claimants would benefit from full remission and 53% of claimants would benefit from the variable discounts on fee rates up to £950, but the actual figures suggest that only 3.87% of claimants benefit from any remission. That is shocking.

With these statistics in mind, I welcome the Select Committee’s criticism of the Ministry for failing to publish the review on the impact of employment tribunal fees. The Select Committee said:

“On the basis of...evidence to us on 9 February, we assumed that the review would be published shortly.”
It also said:

“We have not appreciated being strung along in this fashion”, and that it is “unacceptable” that it remains unpublished six months later. Who would not agree with that when ordinary people continue to miss out on justice? It is therefore welcome that as well as the pressure brought to bear by the Select Committee’s report we continue to see a legal challenge to employment tribunal fees by the trade union Unison, which has now taken its case to the Supreme Court, as my hon. Friend the Member for Kingston upon Hull East (Karl Turner) mentioned.

I would like to say more, but I wish to give the Minister an opportunity to address some of the concerns that I and others have outlined today. I reiterate my support for the Select Committee’s request that the Government publish their review on the impact of tribunal fees and reconsider their approach of treating court users as customers.

Sir Hartley Shawcross, who was Attorney General from 1945 to 1951, when we had a fantastic Government who changed things for the better, said about the Legal Aid and Advice Bill in 1948:

“It is a Bill which will open the doors of the courts freely to all persons who may wish to avail themselves of British justice without regard to the question of their wealth or ability to pay…indeed, going back further to the time when Magna Charta decreed that: ‘To no one will we sell, deny, or delay right or justice.’—it is an interesting historical reflection that our legal system, admirable though it is, has always been in many respects due course, but I welcome this opportunity to address some of the issues it raised. I will try to respond to as many as is practical in the time allocated.

As hon. Members will appreciate, the principal reason for raising fees is financial—there is no getting away from that. The shadow Justice Secretary said that he would get rid of all the fees. He was a little thin on how he would pay for them, but perhaps that does not matter too much to the Labour party. The raw truth is that the Ministry of Justice is not a protected Department. We have a very challenging financial settlement, so we must reduce its annual spending by 15% in real terms, which means about £1 billion in cash terms by 2019-20.

It is worth remembering that this is not just about cuts; we are also committed to this approach precisely so that we can invest £1.3 billion to modernise our prisons, and more than £700 million to transform our court system. Achieving those dual financial objectives inevitably requires difficult decisions. There is no ducking them. We have to look at every area of the Department’s finances, and I am afraid that there can be no exceptions for the courts.

To ensure that the courts and tribunals are properly funded, and access to justice is properly protected, increases to court fees will be necessary. The cost of our courts and tribunal system to the taxpayer is unsustainably high, and it is only right that those who use the system pay more to balance that burden with the taxpayer.

Robert Neill: In coming to that conclusion, has the Department carried out research into or a survey on the costs to the court system of delays caused by persons appearing unrepresented as litigants? Should not that also be taken into account as part of the equation? What data does the Minister have?

Mr Raab: My hon. Friend raises a perfectly legitimate point. If he is willing to be patient, I will write to him with any precise details that I have.

In its report, the Committee accepts the principle of charging court users a contribution towards the cost of operating our courts. Whatever the specifics, I think that that principle is accepted. It is a question of balance between taxpayer subsidisation and user pay. I welcome the Committee’s finding in that regard.

Under the Treasury’s “Managing public money” rules, fees for public services should usually be set at a level designed to meet the cost of those services. However, Parliament has granted, through the Anti-social Behaviour, Crime and Policing Act 2014, a power that allows the Government to set court and tribunal fees at a level above the cost of the service. The income from those fees must be used to fund an efficient and effective system of courts and tribunals. When setting these fees, the Lord Chancellor must have regard to a number of factors, including the need to preserve access to justice. I assure hon. Members that we take that requirement seriously. The idea that somehow a profit is being made is not accurate according to the law, let alone the practice.

I will now turn to the specifics of employment tribunals. I appreciate the concerns expressed both by the Committee and by hon. Members across the aisles. Those who have spoken today have mentioned in particular the impact of fees on employment tribunals. When fees were introduced, there were three main objectives. The first was to transfer a proportion of the cost of the tribunal from the taxpayer to those who use it, where they can afford to pay. The second was to encourage people to
consider other ways of resolving disputes, in particular the ACAS conciliation services, which are provided free of charge. There has been virtually no mention of them in this debate. The third objective was to protect access to justice. I do not think that anyone could disagree that those are legitimate aims to pursue.

The main concern about employment tribunal fees has been the large fall in the number of claims immediately after fees were introduced, but it is not that surprising that the volume of claims has fallen. It is obvious that more people will use a service if it is free than if they have to pay to use it. It is also worth reminding hon. Members across the House of a few key facts. First, help is available for those who cannot afford to pay, through fee remissions. Under that scheme, someone who is eligible for help may have the fee waived either in part or in full. We have taken steps to make sure that more people are aware of the help available, and that has led to a marked increase in take-up under the scheme.

Secondly, and crucially, the introduction of the ACAS early mandatory conciliation service has been a success, with more than 33,000 people referring their disputes to ACAS in the first year. As many people are using the ACAS conciliation service now as were previously referring their disputes to the ACAS voluntary service and the employment tribunals combined. That is important, regardless of whether the dispute ends up with a meritorious claim succeeding; it is valuable that potentially divisive disputes can be settled in that way.

Mr Hanson: When will the Minister publish the impact assessment that the Committee has asked for?

Mr Raab: I will come on to that, if the right hon. Gentleman will bear with me for a few moments, because there are a lot of other points to get through. The point—this has been missed almost entirely in the debate—is that we are seeing the right kind of behavioural change.

Thirdly, the tribunal has the power to order the respondent to reimburse the claimant with his or her fee, if the claim is successful. Finally, on top of that, the Lord Chancellor has an additional power to remit fees where there are exceptional circumstances.

I appreciate that the Committee and hon. Members have not been shy in criticising the delay in completing the review. It is true that when we announced the review in June last year, we had hoped to finalise it by the end of the year. That simply was not possible and it is clearly important that we take time to carefully consider all the relevant material. It is regrettable that it has taken longer than planned, and I am sorry about that. I have looked into the situation and we will get the response published as soon as possible.

In our evidence to the Committee, however, we made it clear that, while we hoped that the review would be completed swiftly, we could not give a firm commitment on timing. I reassure hon. Members and the Chair of the Committee that the review is very close to completion, so I hope to be able to make an announcement in the near future.

Robert Neill: If the Minister will forgive me for saying so, his predecessor told us in February that he hoped we would have it “sooner rather than later.” What has caused the delay? Has the material been fully assembled in his Department, and why can it not be published?

Mr Raab: I thank the Select Committee Chairman, who is being as tenacious and assiduous as ever. We are in a position to make the announcement in the near future. I do not think it is right to split the evidence and our response to it. Hon. Members in this House and the public expect us, when we produce the evidence, to be able to say what we think about it. If he is patient with us, he will get both in reasonably short order. On top of the apology that I have already given, I want to make it clear that it will be coming as soon as is practicable.

Marie Rimmer: Will the Minister give way?

Mr Raab: I am going to make a bit more progress. I have been given some time, and I have given way to hon. Members from across the House. If towards the end I have got time, I would be happy to take the hon. Lady’s intervention.

I turn to divorce fees, about which hon. Members have made some important points. The Justice Committee criticised the recent increase in the fee for divorce to £550, primarily because of the risk to vulnerable women. The Government have sought to make sure that vulnerable women are protected within the divorce fees scheme. Although it is true—this point has been made—that more women than men petition for divorce, it is also true, although it was rather neglected in this debate, that women are more likely to qualify for a fee remission. In the circumstances of a divorce or any other matter where the parties have conflicting interests in proceedings, the applicant is assessed on his or her own means, rather than on those of the household. For victims of domestic violence, the first priority is to ensure the victim’s safety. There is no court fee for an application for a non-molestation order or any applications in relation to one.

I turn to money claims. There has been criticism of the introduction of enhanced fees for money claims in March 2015, and some criticism of the quality of the research that supported those increases. We have said all along that we took the decisions that we did based on the best evidence available at the time. As things have turned out, the impact of those fee increases on the volume of claims has been greater than we thought. It is easy to be wise in hindsight, and we are investigating the reasons, but in the meantime we have decided not to implement the further increases we proposed. But given the very challenging financial circumstances, we have been clear—I want to be honest with the Chair of the Select Committee and hon. Members—that we may need to come back to those and look at them again when we have got a better understanding of the specific impacts.

There have been criticisms of our proposals to raise the fee in immigration tribunals to full cost levels. We estimate that those proposals would generate about £35 million a year in additional income. The normal policy over many years has been to charge fees at full cost unless there are good reasons not to. I do not see, given the remissions and the other flexibility, why the taxpayer should foot the bill in this case. We are currently considering in detail the responses to the consultation. Under our proposals, certain types of appeal would continue to be exempt from fees; we are talking about
vulnerable people who need such flexibility the most. People receiving means-tested benefits, such as asylum support, would continue to have fees waived. We sought views on further exemptions, and specifically on whether we should exempt people in receipt of a Home Office destitution waiver. We are making sure that, notwithstanding the difficulty of the decisions, the most vulnerable are protected.

Meeting the challenges ahead cannot just be about increasing fees. That is why we recognise the need to invest in the courts and tribunals so that they are lean, efficient and fit to serve a modern, digital society. In the spending review, we announced that we would be investing, as I have said, more than £700 million to transform our courts and tribunals system. The scale of that investment and the ambition of our reform plans will enable us to build a justice system that is simpler, swifter and more efficient, because it takes better advantage of modern technology.

Other points and criticisms have been made. We take them on board, and we will respond to them fully in due course. We also need to have a sense of realism. Given the financial situation that we are still grappling with, fees are a critical part of the Ministry of Justice’s plans to meet our spending review challenges.

Dr Huq: Could the Minister tell us the cost of administering the employment tribunal fees? There is a mismatch between what they raise and what they cost.

Mr Raab: My understanding, off the top of my head, is that it was £71 million. I will come back to the hon. Lady if I find out that that is incorrect.

The truth is that we cannot afford to duck these decisions around fees if we want to secure the long-term funding of the courts and the tribunals and deliver on the mandate on which the Government were elected. It is all very well for the Opposition to say that they want to scrap every fee that has been imposed or duck every difficult decision, but unless they can explain to the House how that will be paid for or the impact that it will have on our economy, it is not the responsible thing to do.

Hannah Bardell: Will the Minister give way?

Mr Raab: I am going to finish, because of the second debate. Fee increases are never popular, but at every stage we have made it clear that we intend to protect the most vulnerable and make sure that those who cannot pay do not have to do so. We continue to consider carefully all the detailed points and recommendations made by the Select Committee, and we will publish our response later this year.

7.55 pm

Robert Neill: With the leave of the House, I will briefly respond to the debate. It has been a thoughtful debate, and I am grateful to Members from all parts of the House who have contributed. There is not time for me to refer to every hon. and right hon. Member who has contributed, but I am especially grateful to members of the Select Committee from both sides of the House who have contributed to the debate for the work that they have done. It is also right for me to say that I am grateful to the Committee staff for the work that they have put into preparing the report. I congratulate the hon. Member for Leeds East (Richard Burgon) on his appointment to the post of shadow Justice Secretary, and I wish him a long tenure of office, if that is a wise thing to do, one way or the other.

I appreciate the Minister’s response. I may continue to press further, but I take him at his word, because he and his fellow Ministers have always been entirely straight in their dealings with us. I hear his word that we will have the response soon, and I cannot stress enough how important that is. I am grateful that he is not proceeding immediately with the divorce fee increases. I hope that we will be able to persuade him that that should not happen at all, but I will take whatever is available. I appreciate that this is a detailed matter, and I hope that we can go forward with more detail in due course. I must confess that I do not think that this issue will be solved constructively by voting against the estimates in a symbolic fashion, but that is a matter for individual Members to decide. I am grateful for the House’s time and the consideration that Members have given to the report.

Question deferred (Standing Order No. 54).
ENERGY AND CLIMATE CHANGE

Energy Spending Priorities: Investors and Consumers


Motion made, and question proposed.

That, for the year ending with 31 March 2017, for expenditure by the Department of Energy and Climate Change:

(1) the resources authorised for use for current purposes be reduced by £2,605,722,000 as set out in HC 967 of Session 2015-16,

(2) further resources, not exceeding £1,197,631,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £2,726,306,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.—(Kris Hopkins.)

7.57 pm

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I would first like to thank a number of people for this debate, and particularly for its timing. The Chair of the Justice Committee, the hon. Member for Bromley and Chislehurst (Robert Neill)—I see that he is still in the Chamber—was very kind indeed to arrange the schedule so that this was the later of the two debates, which enabled me to get down from Barra in time. Had it been the earlier debate, I am afraid I would not have been on time. I would also like to thank the staff of Loganair, who got me an earlier plane that got me down in time; many thanks before I go too far, taking two planes to get down today. [ Interruption. ]

One of my colleagues says that this is like the Oscars. Well, this is the high point. The tears will be starting shortly.

It is a pleasure to introduce this evening’s debate on energy spending priorities. I will discuss this in relation to three reports from my Energy and Climate Change Committee produced in the past few months on investor confidence, carbon capture and storage and home energy efficiency.

We heard a lot in the run-up to the EU referendum about the impact that a vote to leave would have on investor confidence in the UK, and how businesses craved stability, transparency and certainty to plan for their spending on production, research and jobs. That presupposed that prior to the vote to leave the EU, the policy landscape was somehow calm, tranquil and settled. It is certainly not calm, tranquil or settled now, and we know that the Brexiteers deliberately had no plan in order to avoid scrutiny. That is another debate, which is taking place on television in Scotland tonight, and I will leave that where it is.

In relation to energy policy, the landscape was anything but tranquil, calm and settled. There has been considerable upheaval since the Government assumed office last year. Last June, the Department of Energy and Climate Change announced the early closure of the renewables obligation subsidy for onshore wind, citing manifesto commitments. Although it was only one line, a fact check of three pages was required to work out what it meant, so woolly was the wording. Last July, DECC announced cuts to the renewables obligation for solar PV and biomass, and changes to the feed-in tariff accreditation.

That is just a few of the policy changes that took place last summer, but it is what happened between those announcements that exercised many in the sector and contributed to the decision of the Energy and Climate Change Committee, after extensive consultation with a range of stakeholders, whom I thank for their contribution to our work, to launch our inquiry into investor confidence in the UK energy sector. I thank Jenny Bird, the senior Committee specialist, for the hard work and diligence she put into this report, and I wish her well in her new post at the centre on innovation and energy demand at the University of Sussex.

Early last July, the Office for Budget Responsibility published figures relating to the levy control framework: a notional cap on the renewable energy subsidies that consumers pay through their energy bills which covers the renewables obligation, its successor, the contracts for difference, and feed-in tariffs. Part of the Government’s objective, quite rightly, is to put affordability at the heart of energy policy. The OBR projected in its July assessment that there would be a significant increase in levy control spending compared with its March 2015 assessment. Its March 2015 assessment, the figure was £7.6 billion. By July—in the space of four months—it had increased by £1.5 billion to £9.1 billion. It adds much fuel to the fire of claims and counter-claims about the OBR and the accuracy of its work when it produces such wildly different figures over a four-month period. That clearly influenced the energy policies that were announced over the summer.

Some felt that the increase had not been adequately explained by DECC or the OBR. EON told my Committee that “the evidence around cost overruns...is questionable and not transparent; publication of detailed analysis of the status of the LCF should be a priority.”

ScottishPower said that “it will be important for the industry to have better visibility of the underlying assumptions and calculations under the LCF so as to enable efficient long-term planning.”

The key word there is “efficient”.

Freedom of information requests have been unsuccessful owing to commercial confidentiality, and questions to Ministers have hit the same buffers. I have therefore raised the matter with the National Audit Office. I am pleased that the NAO has announced a new review of the LCF, which will examine, among other things, the reason for the changes in forecast expenditure. The NAO can jump over the iron curtain that is the commercial confidentiality statement.

Two years ago, the NAO looked at how DECC modelled LCF spend and identified weaknesses that prevented it from having the highest degree of confidence in the model forecasts. Both components of the LCF forecast need unravelling too, because if spend is set to increase by the amount the OBR has forecast, increased spend under the LCF may not automatically result in...
increased costs to consumers. A recent FOI request revealed that the Government had forecast that consumers would pay more towards subsidies under the LCF in 2020, but that the average total bill would come down because of lower wholesale prices. In part, that is down to the introduction of wind and solar power, which increase generation capacity at a negligible marginal cost and, therefore, lower the overall cost of wholesale electricity—the well-touted merit order effect.

It was noted by the Committee that increased uncertainty may increase premiums, and we raised that with Ministers recently. The cuts to renewable energy might therefore be counterproductive, as they are reckoned to be by many, because of the added costs of investment due to the Government’s sudden lurches in policy.

During the inquiry, we heard many voices in the industry that were disturbed by the rapid and unforeseen changes to feed-in tariffs and the renewables obligation. Concerns about the lack of detail as to when the second round of auctions for the renewables obligation’s successor, the contracts for difference, would take place have added to the uncertainty. The latest we have heard is that it will be in the last quarter of this year.

Returning to increased bills, Roger Harrabin of the BBC asked DECC to deny that the cuts to energy subsidies would put bills up, but it did not. That shows the merit order effect at work. There was an understanding in the past that money spent was an investment, not a cost. Money spent in the present should also be seen as an investment, not a cost.

We now have more clarity on the timing of the auctions—they will be in the fourth quarter of this year—but we need to know when in the fourth quarter they will be, because companies need to plan and to project. The fourth quarter of the year might be any time between 1 October and 31 December. That is simply not good enough when we are in the seventh month of the year.

We heard that subsidy reductions had created challenges for renewable investors, with new projects in early development suffering the most. Mitsubishi bank told us that it was having 95% fewer conversations with onshore wind developers. Perhaps as damaging could be the risk premium that is now attached to the UK’s green economy as a result not of the changes themselves, but of the way they were made, with little notice of consultation. Indeed, the consultation happened after the announcements. It is no surprise that our witnesses hankered for a clear, longer-term steer from the Government on, for example, what form the LCF would take post-2020.

That is encapsulated in the Ernst & Young renewable energy country attractiveness index, which ranks 40 countries according to the attractiveness of renewable energy investments. The UK slipped from eighth place in June 2015 to 11th in September 2015. That was the first time since the index was established in 2003 that the UK had been placed outside the top 10. Since our report was published, the UK has fallen to 13th—unlucky for some and particularly for the investors. Ernst & Young attributed our fall to the Government’s “non-committal, if not antagonistic, approach to energy policy”. I am afraid that the idea of an antagonistic approach to energy policy chimes with the frustrations that I hear from many stakeholders in the energy space when they talk to me. Our report noted the root causes of this crisis of confidence. The first was:

“Sudden and numerous policy announcements”.

The second was:

“A lack of transparency in the decision-making process”.

Thirdly, there was

“insufficient consideration of investor impacts”.

The fourth was policy inconsistency, such as

“claiming to want to decarbonise at lowest cost while simultaneously halting onshore wind”

and choosing more expensive forms of renewable generation. Fifthly, there was:

“The lack of a long-term vision”.

The last was what we called the policy “cliff-edge” in 2020.

My Committee recommended that Ministers clarify the assumptions and methodologies behind their levy control framework calculations. It would be advisable to do that before those assumptions and methodologies come out kicking and screaming from the work of our friends at the NAO. We said that Ministers should set out the post-2020 LCF budget in the context of the fourth and fifth carbon budgets to ensure that the available funding was consistent with meeting our longer-term carbon commitments. We recommended that they develop their carbon plan to achieve the fifth carbon budget in full consultation with investors, using transparent methodology and with clarity about how transitions would be managed as new technologies become established, including the intended “glide path” out of subsidies, rather than their being pushed over a cliff edge.

It is usual practice in these debates to refer to the Government’s response to the Committee’s recommendations, but I am afraid that I am unable to do so. Initially, I thought that would be because the Government had failed to produce a response, despite our report being published four months ago. It is actually because we decided, as a cross-party Committee, to send the response that we did receive last Tuesday straight back to the Government. Our report contained 14 detailed recommendations, based on extensive evidence from stakeholders and experts, including the estimate from one of our witnesses that Government policies could raise the cost of financing projects by £3.14 billion a year. None of that was responded to. Instead, we were afforded only loose replies to themes set out in the report’s summary. Indeed, it was unclear from the response whether anyone at the Department of Energy and Climate Change had read beyond page 4 of the 47-page report in the four months since its publication—a rate of one page a month.

Patrick Grady (Glasgow North) (SNP): I am a member of the Procedure Committee, and the Government slapped down our report on private Members’ Bills and gave it no detailed consideration whatsoever. Does my hon. Friend share my opinion that the Government appear to be asleep at the wheel on this, as on so many issues?

Mr MacNeil: The evidence might well lead my hon. Friend to take that view. That is happening in tandem with the other trend that is running amok in the southern part of the UK—that of resignations. While resignations are everywhere, the Government’s lack of consideration for Committees and other stakeholders seems to be the order of the day.

No parliamentary Committee should be treated in that way. However, it reinforces the feeling of Stockholm syndrome—or is it Lima syndrome?—when the poor
souls in industry come complaining to the members and Chair of the Committee about their difficulties in getting ideas, thoughts and communication straight to the heart of Government. It makes people who are trying to make things better in the energy space wonder just how seriously the Government take them.

We urge the Government to try harder and send us something respectable for a comprehensive assessment before the recess. Investor confidence can then, we hope, begin to be rebuilt.

Carbon capture and storage is another example of the need to rebuild confidence. CCS is a technology in urgent need of development. We often talk about the energy trilemma, but there is a climate change trilemma as well. On current analysis it is difficult to see how we can have fossil fuels but no CCS and still meet our long-term decarbonisation projections at the same time. As the Secretary of State’s reset speech mentioned a dash for gas we know that fossil fuels feature in the Government’s plan. I checked on the GridCarbon app for smartphones—I am sure you have it, Madam Deputy Speaker—for current energy usage in the UK this evening. It is 51.6% gas and 5.3% wind. The key figure is the 295 grams of carbon dioxide produced for every kilowatt-hour. The 2030 target is meant to be 100 grams. It will be interesting to see quite how we are going to get to that, given the current trajectory.

As the Chair of the Committee on Climate Change, Lord Deben—from the Lords, obviously—said, not having CCS would cause the UK an issue. I love the brilliantly understated manner of that fine English gentleman’s statement of high alarm about the targets that the Government might have difficulty in meeting. He was quite right, and his delightfully understated way of putting it had far more effect than anyone shouting, running and screaming about the issue. It certainly made people pause on the morning he said it, which was the day of the launch of the fifth carbon budget.

I hope the Government will have more positive noises to make about CCS. People out there are still hanging on by their fingernails to see what the Government will say. They decided to ditch their £1 billion carbon capture and storage competition, on the day of the autumn statement. It was not in the statement itself, but was slipped out, alas, in a notice to the London stock exchange, which was deemed more important than Parliament at the time; we have certainly seen in recent days that it reacts more rapidly than Parliament when the news is bad. I note that Government promised £250 million to Aberdeen to help with the oil downturn, as part of the UK’s broad shoulders, but that one decision on CCS potentially took away £500 million, double that figure.

It is not just that the move on CCS on the day of the autumn statement was announced to the City without Parliament being told; the worst part of it is that there were serious bids in earnest preparation. People were working in good faith towards the Government’s competition. My Committee and the Procedure Committee may feel badly let down, but we are nothing by comparison with those working on the competition, devoting their working days, months and perhaps even years to it. In fact, I was invited by the Foreign Office to go to Alberta in Canada to see a carbon capture and storage project. One arm of Government thought that the UK would become a leader on CCS, but alas, within a month, it seemed that my trip had been wasted. I hope not; I hope that tonight the Secretary of State will give us some positive words on carbon capture and storage, with dates, timelines and the sort of thing that the industry is looking for.

Subsequently, in our report on CCS we criticised DECC’s decision as short-sighted, given that the costs of later projects are expected to fall rapidly, once primary infrastructure is in place. The Institute of Engineering and Technology set that out in a brilliant briefing paper for our Committee, as well. We also said that the Government should devise a new strategy for CCS in conjunction with a new gas strategy. We advised the Department to assess the financial and other benefits of using our North sea infrastructure. Work has shown that there would be enhanced recovery of up to 12% from the North sea oilfields if we used them as a place to store carbon. The work of the Committee put that forward, and I would like to take this opportunity to thank Dr Marion Ferrat for her work on the report. We did not send the Government’s response to that report back to them. I have it here with me tonight, as proof. However, the response still failed to address our recommendations in detail. There was no clarity on whether DECC envisages that CCS will be needed at all, on whether any CfDs will be available for CCS or on the proportion of new gas-fired plants will be retrofitted with CCS. Since then, the Committee on Climate Change has reiterated the need for carbon capture and storage, calling for a “strategic approach” to the development of CCS, and stating that the technology is of “critical importance” to the UK’s efforts to decarbonise. Alas, it was not critical enough on the day of the autumn statement last year.

David Mowat (Warrington South) (Con): The hon. Gentleman mentions how critical CCS is to the UK’s decarbonisation, and I for one hope that it makes progress, but other countries burn far more carbon than the UK. Germany burns four times as much coal, but has no interest whatever in CCS. Why does he think that the UK needs, unilaterally, to pursue this so avidly?

Mr MacNeil: It is not simply a unilateral UK issue. CCS is in Canada and Norway. The fact that, unfortunately perhaps, I am not in the German Parliament and so am not scrutinising the German Government possibly explains why I am not talking about the point the hon. Gentleman raises. CCS is certainly not unilateral. Further, we could argue that German Government feel they are off the hook because other Governments feel it is nothing to do with them, either. Someone has to start taking responsibility somewhere. Other countries are. We should play our part. That competition would have helped immensely.

Graham Stuart (Beverley and Holderness) (Con): One of the report’s recommendations is for clarity over the three CfD auctions. I have not seen the Government’s response, so will the hon. Gentleman enlighten the House about what details there were on timing, technology and the other questions he raised in the report?

Mr MacNeil: I refer the hon. Gentleman to the report. We have had only one response on carbon capture and storage. As for the other reports, I think a response
came early today, but we are waiting for the response on the main report on investor confidence.

I will move on to the report on home energy efficiency. All the policies mentioned affect consumers, as they are subsidised through the levy control framework. My Committee also looked at Government changes to spending that affect consumers more directly, namely changes to spending on energy efficiency measures that are levied on consumer bills but sit outside the LCF. As with the report on investor confidence, our energy efficiency inquiry was another piece of work that stakeholders urged us to take on at the roundtable meetings we held early in my time as Chair of the Committee. At this point, I would like to thank Josh Rhodes, the Committee specialist, for his work and help on the report.

We know that improving energy efficiency is a win-win for households and the UK as a whole. It enhances energy security, cuts carbon emissions from housing and reduces costs. For consumers, the benefits include lower energy bills, and, critically, warmer, more comfortable homes—more arguments should be made on that point—and improved health and wellbeing. When we work on the technical energy side, we sometimes forget that these things are for human beings, who have very nuanced and different reasons for wanting to insulate their homes and have warmer homes.

Callum McCaig (Aberdeen South) (SNP): This comes to the nub of the issue with investment in this area. The Government are completely unwilling to accept that it is investment. Investment in making homes energy efficient is an investment in our society. There are savings to be made. We need to look at things in the round, rather than looking at one part in isolation.

Mr MacNeil: My hon. Friend is absolutely correct—I have to get used to saying “my hon. Friend”, because for the previous 10 years I have been here I have not had many hon. Friends to say it to. It is a pleasure to say it. He is absolutely correct, however, because the Government have got into a way of thinking that any money spent today is a cost rather than an investment for the future.

Mr MacNeil: I would be delighted to give way to my great friend on the Committee—I do have friends across the Chamber.

Antoinette Sandbach (Eddisbury) (Con): Will the hon. Gentleman give way?

Mr MacNeil: I hope that they will get away from their austerity cult idea. I often criticise them for being a penny wise and a pound foolish Government, because I think it is a mistake.

Antoinette Sandbach: There clearly was a need for review, which we saw last week when the National Farmers Union gave evidence to the Committee. It suggested that organisations such as the National Trust, which has huge numbers of members and vast access to resources, including massive payments under the single farm payment, should receive subsidy for installing biomass boilers in its country houses. Does the hon. Gentleman accept that there is a need to refocus and consider how we best deliver outcomes for fuel efficiency in homes for those who need it the most?

Mr MacNeil: The hon. Lady makes a good point, and if she wants to pull the very wealthy out of those schemes that might be an idea. Often, these things start by aiming at certain groups, but unfortunately the target and those who get hit are very different, and the Government often miss that.

Insulating draughty homes can save vulnerable people from fuel poverty—a problem that remains unacceptably prevalent across the UK. My Committee’s recent report concluded that the Government’s latest efforts to improve household energy efficiency had proved inadequate. Although the energy company obligation delivered many improvements, it did so at much lower rates than previous schemes. The green deal did not significantly increase demand for energy efficiency; it fell far short of original ambitions and was too complex and costly, and it also failed to address the hassle factor that can prevent customers from signing up. If anyone should know and understand the hassle factor, it is MPs after their recent dealings with the Independent Parliamentary Standards Authority, as that is an example of hassle and why people do not do things—there is something to be learned there about behavioural economics and desiring a scheme that will work for people. We in this House should have known better when the green deal was coming.

The Government’s new ideas, which include their plans for the energy company obligation in 2017, gave us cause for serious concern, and the decision to use the new obligation to tackle fuel poverty may well be misguided. The UK is the only country in Europe to take such an approach, and a scheme that charges the households it is designed to help appears inherently regressive. Alongside that, given the huge number of homes yet to benefit from energy efficiency measures, the reduced ambition of the new obligation is a major disappointment to me, to the Committee, and to many who gave evidence to the Committee.

There is now no support to help households that wish to install energy efficiency measures but cannot meet the costs upfront. The Government disagreed with our argument in their response, but we still do not know what the reformed scheme will look like. We have asked Ministers to look again at pay-as-you-save mechanisms, as well as at the infrastructure behind the Green Deal Finance Company, when considering how to assist such households. We also need demand drivers such as stamp duty and council tax reductions for efficient homes. I am pleased that the Government agreed in their response that the Green Deal Finance Company could play a role in the future. If the Government take concerted action now they can help to insulate consumers from future energy price rises. That would be money well spent and an investment, and it would prevent the need for large-scale retrofitting in future.

Graham Stuart: Previous efforts have tended to end up being implemented in more urban areas, but those who are poorest and whose homes are the most difficult to insulate often live in rural areas. Does the Committee have any recommendations for the Government to try to ensure that any future programmes reach those on low incomes in rural areas who are particularly vulnerable?

Mr MacNeil: As a rural MP, I am aware of that issue. The hon. Member for Eddisbury (Antoinette Sandbach) is also assiduously aware of it, and I commend and congratulate her on raising it in Committee on just about every possible occasion. The hon. Gentleman will
be delighted to know that on several occasions the Scottish Government were praised for their actions and—perhaps tongue in cheek; perhaps not—maybe I could recommend that energy policy in that area be devoted to the Scottish Government who, according to the evidence, seem to be doing a better job of it for the whole UK than other Governments.

**Dr Alan Whitehead** (Southampton, Test) (Lab): Does the Chair of the Committee have anything to say about the almost collapse of solid wall insulation in homes that was predicted by the new ECO arrangements, as set against the suggestion by the Committee that by the end of the fourth carbon budget we should have in place 2.2 million solid wall insulation completions? Has the Committee considered that issue?

**Mr MacNeil**: It is always with certain trepidation that I give way to the hon. Gentleman, because what he does not know about energy, nobody else knows either. He sat on our Committee early on and did a fine job, and he also sat on the Committee in the previous Session, where he was highly regarded. There is some concern about solid wall insulation. If I remember right, the figures expected are far below what is needed and have almost collapsed, which, as he said, would be very worrying.

Let me start approaching a conclusion—that is more often a hope during speeches in the Commons than a statement of full intent. I thank my Committee colleagues for their excellent work on these inquiries, as well as the hundreds of companies and individuals who gave their time and expertise to inform our conclusions. It is appreciated. I Chair the Committee on Energy and Climate Change, but I am not an expert. I can, however, take information from experts, distil it, and hopefully get policy points out of that. Along the way, I will hopefully develop some expertise in those areas.

The Government’s response to our investor confidence report demonstrated disregard for the Select Committee inquiry process, and their response to our CCS report leaves important questions unanswered. Their response to the report on home energy efficiency appeared only this morning—eight weeks late. I hope that when the Secretary of State responds to this debate on the Government’s spending priorities, she will afford the House and my Committee a little more courtesy than her Department has sadly shown so far—I say that with regret because I like the Secretary of State personally. We have raised the issue with Ministers in Committee and several times by letter, and we need more information that businesses and homeowners might use and need to plan their energy futures. That would be an important step.

Finally, it is only right that a Committee should reflect that it is not all about MPs or the Chair, and we are fortunate to have talented people working with us. Last, but by no means least, I thank Dr Farrah Bhatti, the Clerk, Gavin O’Leary, the Second Clerk, Stephen Habberley, the specialist, Jamie Mordue, senior committee assistant, Henry Ayi-Hyde, Committee support assistant, and our ever cheerful Nick Davies, the media officer. For the investor confidence inquiry I thank senior specialist Andrew Buglass, founder of Buglass Energy Advisory, and Kirsty Hamilton, a lady with many jobs—of course she has because, like your good self, Madam Deputy Speaker, she has a Scottish background.

8.28 pm

**Antoinette Sandbach** (Edsiburgh) (Con): I rise to echo the Select Committee Chair’s thanks not only to the Committee staff but to the numerous witnesses who have taken a lot of time and trouble to contribute evidence to the three inquiries we are discussing today.

I want to look briefly at the macro background to those inquiries, which is really one of climate change. We know that climate change is one of the most serious threats the world is facing. We know we need to decarbonise our energy sector and we know that that has to be done in a way whereby UK consumers feel they benefit from the change rather than lose out. All too often, the perception has been that green policies cost them. That is a real danger in the current climate, in particular after the decision last week. I have already received correspondence from constituents who are concerned that the UK may abandon its environmental targets.

The Secretary of State for Energy and Climate Change went to Paris and played a part in negotiating very ambitious climate change targets. That matters in relation to these reports, because the investor confidence report deals with the delivery of those targets, and energy is absolutely key in delivering those targets—not just the electricity that powers our homes, but the heat and transport sectors, too. It was in those circumstances and against that backdrop that the inquiries were conducted.

It is a concern that the Committee report found there has been a drop in investor confidence since May 2015, something to which the Chair alluded. In May this year, the UK had fallen from eighth place to thirteenth place in the investor confidence index. I appreciate that some of the fall may have been around the uncertainty over the referendum and that companies may have been holding back investment decisions to see the result, but it is clear that there now needs to be a real signal sent out to the investor community that deals with some of the issues raised in the report. In particular, what startled—if I can put it that way; one thinks of a horse that has been startled away—the investment community were a number of really sudden and quite unexpected policy announcements by the Secretary of State last summer. I understand—I alluded to this in an intervention—that there was a need to look at, for example, solar feed-in tariffs. Some of them gave very high rates of return. Let us not forget that it is the poorest consumers who are paying for the levy control framework in their bills, so it was right for the Government to look at that and assess how effective it was. Nevertheless, there was a very strong theme coming through the evidence we had about the lack of an overall Government strategy on energy.

The Secretary of State speaks very powerfully about the energy trilemma, but the investor community does not feel that a clear direction has been set to say this is where we are going and why. The Secretary of State explained that she wishes to remain technology-neutral. However, to look ahead and take advantage of some of the very best technologies that may come forward and deliver the best results for climate change and reducing
the impacts of carbon emissions, there may well need to be some incentivisation, much as we have seen in the onshore wind sector. The Chair rightly referred to the change in Government policy in relation to the onshore wind sector and the switch to offshore. That has led to a decline in investor confidence in onshore wind farm investment, although we have not seen the same results in the offshore sector.

Mr MacNeil: Allied to that—this might sound like a constituency interest, but it does not just affect my constituency—are island contracts for difference. Having been to the European Commission to get it informally passed, the Government seem reluctant to go back to the European Commission to get it formally passed. Let us remember that island CIDs will enable cheaper generation than fully offshore, because the winds in the islands on the west coast can be stronger than those in the sea on the east coast.

Antoinette Sandbach: I am of course aware that the Scottish Government have a great deal of involvement in energy policy, in particular through their renewables obligation certificates. If they want to, they have the levers to incentivise different energy development in Scotland. It is clear that some of the announcements—one feed-in tariffs, the renewables obligation and the climate change levy—and the quick succession in which they came created uncertainty among investors.

Another theme in the report was the lack of transparency around the decision-making process. What the Chair said about the sudden cancelation of the carbon capture and storage project came through very clearly. The manner in which the decision was taken caused concern among companies that had spent many months and years putting together their bids. I understand that the Government need to look at whether they are getting value for money for the taxpayer and whether they are delivering the necessary outcomes, but it is important that we have a clear policy direction. That came through in the investor confidence report.

I appreciate that there have been several reset speeches, but again we are now in a climate where the Brexit vote has happened, yet, judging by some of the quotes used, there has been a lack of long-term vision and concerns that there will be a policy cliff edge in 2020 unless we have clarity around the future of the levy control framework and carbon price floor beyond that year. In the short term, our dropping down the renewable energy country attractiveness index might in fact mask what is really happening. Pipeline projects are still coming through, so the real impact might only be felt in 10 years, when the successor projects to those part way through the process—the ones that have consent but are not built yet—are not there.

It is all change at the moment. Every Department will be looking at our European targets and at what we might do in the future as a nation, so it is really important that the Secretary of State confirms that her civil servants are looking at the direction of UK energy policy in the context of our leaving the EU and the risks for investment, particularly in renewables.

One other item that came through very strongly in our report was the risk premium for developers. It seems that some developers have very high risk premiums and are looking for returns of over 13% or 14%. They cannot get that anywhere else in the market. It is very hard to find such high returns on other investments. I emphasise, however, that my poorest constituents—those least able to afford it—are paying for the green investment through the levy control framework.

Mr MacNeil: I hear what the hon. Lady is saying, but would she admit that previous spending has led to investment that has reduced wholesale prices and thereby benefitted consumers of the present and that investment today will do the same for consumers in the future?

Antoinette Sandbach: I certainly would, and I will come to that in pointing on the home efficiency section of the report. I am afraid that I have not had a chance to see the Government’s response—the Chair said that it only arrived this morning, but, owing to technical errors and my iPad’s failure to sync, I do not have a copy—so I do not know exactly which recommendations they have adopted. It is absolutely clear, however, that they need to set out a methodology and budget for the levy control framework going beyond 2020.

I very much welcome the fact that the National Audit Office has said that it will look at the levy control framework and “lift the veil”, as the Chair put it, on the funding, on by how much it was exceeded and on the projected spend. It is only by sending out that signal of certainty to the markets that we will encourage the investment to come forward. We need to do that in a way that is responsible to the taxpayer and provides a return to investors, although not an excessive one in which the taxpayer or the bill payer loses.

On the macro-level of delivery on the larger scale, I should not forget contracts for difference. We need clear signals on CfD; we need to know when the auctions will happen; we need to look at technologies such as anaerobic digestion, which have been under-adopted in the UK and have huge potential to deliver, particularly in rural areas. As others have highlighted, rural areas face real problems. Many people there have oil-fired boilers and the housing tends to be of older quality. It is vital that CfDs look at how to deliver not just the vast gas projects that are coming forward, although not yet built, but the micro-level projects, which are seen in the section of the report on home efficiency. I shall move swiftly on to that now.

Government policy on home energy efficiency has been stop-start, which has led to policy uncertainty that has damaged consumer confidence with the loss of jobs in the supply chain. I have seen that in my own constituency, where a small business has laid off a number of employees. Over 60 have been lost in this sector as a result of some of the policy changes. That has had a real impact on my constituents. Sixty people out of work is 60 people who have to re-train and learn different skills.

The energy company obligation scheme has not achieved what we wanted it to achieve. I do not praise the Welsh Government very often, but I have to say that the Nest and Arbed schemes in Wales achieved a far greater amount than the ECO did in the UK. Much could be done from the Government looking and learning from over the border. I hear what the Chair says about Scotland, too. It is clear that the ECO will be extended to 2018, but the Select Committee was very concerned that its main policy target was fuel poverty. We have questioned whether it will really deliver on that ambition.
The hon. Member for Southampton, Test (Dr Whitehead) mentioned what was happening in rural areas on solid-wall insulation. Rural areas are a particular concern, and it is quite clear that we need more data at the level of the individual household, so that ECO measures can be targeted more effectively. One major concern is the lack of data at the individual level, and one of the report’s recommendations is to ensure that we set up the sharing of data, so that home efficiency measures can be far more effectively targeted, particularly in rural areas. The evidence relating to ECO suggests that it has gathered the low-hanging fruit and has concentrated on largely urban areas where whole streets can be done at a time. It has failed to deliver in the rural areas where, as I said, housing is older, tends to be of poorer quality and tends to be solid-wall, built pre-1945.

If we are to make the gains that we need to out of home efficiency, it is key that we look at tackling the harder-to-reach homes; to do so, we need the data. For that reason, the Government clearly need to do much more cross-departmental working and they need to set up a proper database. I suspect smart meters can generate the data that will be able to identify which homes are the least efficient and will give the Government and, indeed, the energy companies the information about who is using the most and potentially who is the least efficient.

Graham Stuart: Does my hon. Friend agree that this is not just about energy efficiency? Many homes use liquid gas or oil, so when we are looking at rural areas, we need a combination of programmes to ensure we can get new forms of heat production, as well as improving the efficiency of homes, to make the sensible and rational investment?

Antoinette Sandbach: I certainly do agree and the Government are reviewing the renewable heat incentive at the moment. I declare an interest on this: I point Members to my entry in the Register of Members’ Financial Interests, declaring that I have registered for the RHI. There are some highly innovative new products that have been brought forward by companies like Calor, which work in conjunction with air-source heat pumps and which are so efficient that they qualify for the RHI.

We need to divide the response in home efficiency between those able to pay and those not able to pay. At the moment, it is quite clear—this comes through in our report—that the green deal did not deliver for the able-to-pay market. It was too complicated and confusing, and it delivered for very small numbers of households—less than 15,000, I think.

The Government need to look at how they can incentivise and make those gains on home efficiency. As the hon. Member for Na h-Eileanan an Iar (Mr MacNeil), the Chair of the Committee, has highlighted, there are huge gains in health and comfort. These messages are not getting through, however. There are huge gains and it is an investment that radically changes people’s lives. That kind of programme leads to the consumption of less electricity and is a win in terms of investment for the future. In that context, the abandoning of the zero-carbon homes target was a huge shame. I appreciate that building regulations have driven up the standards, but they are still not as high as the zero-carbon homes target was.
The fourth carbon budget dealt with the essential nature of carbon capture and storage and the forward march of energy efficiency in homes. I made the point in an intervention earlier that the fourth carbon budget assumed that there would be 2.2 million solid wall treatments in homes, but the changes that have taken place over the past year have all pointed in the opposite direction to the imperatives that the Committee on Climate Change put forward in the carbon budgets. There are therefore real question marks in relation not only to investors but to future policy overall. How can we be on target with those budgets—as I hope we will be—at the same time as undertaking all the recent changes?

The cancellation of the carbon capture and storage programme was thoroughly deplorable. The justification for the changes to the renewables incentives was that this was all about the levy control framework. The framework came in in 2011 and it was supposed to place limits on the levies that were arranged in relation to certain renewables. This would also have an effect on what customers’ bills would look like, as the levies would be passed down to customers’ bills in the end. However, the levy control framework was almost inevitably going to be a car crash, both in terms of how it was conceived and of what it was going to look like by 2020.

There now seems to be some clarity about future auctions relating to contracts for difference under the framework up to 2020, but it does not look as though there will be much money in those auctions. It does not look as though they will be significant, and the levy control framework itself will come to a sharp cliff edge at the end of 2020. That is partly because when the framework was first designed, it was largely based on the renewables obligation, which involved a fixed amount of payment from the Government to those receiving renewables obligation certificates, whereas the change to contracts for difference has resulted in varying sums coming forward. As energy prices go down, so the cost of the payments goes up, resulting in less and less money in the levy control framework. This is a fundamentally badly designed arrangement for dealing with future renewables deployment if we are serious about getting that deployment in line with our carbon budgets.

We need clarification on whether there will be a levy control framework from 2020 onwards. I was interested to discover this morning that a consultation about changes in the 2014 contracts for difference orders had turned into a consultation about whether there should be a levy control framework at all after 2020—not about what it should consist of, or how it should work. I believe the Secretary of State indicated in her “reset” speech that some offshore wind would be auctioned after 2020, in which case there must be a levy control framework, but that is all the information that we managed to obtain. The consultation consists of one question and nine pages, and it does not tell us a great deal about the framework itself.

Mr MacNeil: I was interested in what the hon. Gentleman said a few moments ago about the effect of the levy control framework in an environment of low energy prices. Such an environment puts greater demands on the framework, which was probably conceptualised when prices were higher, or even heading in that direction. Another question is posed by the fact that the framework is not being revised to take account of the future capacity market.

Dr Whitehead: The hon. Gentleman—the Chair of the Committee—is right to raise those questions. The effect on the levy control framework of the change in prices—and it should be noted that the prices of gas, electricity and oil are now below the lowest conceivable scenario in the Department’s energy projections—was simply not anticipated by the Department when it designed the framework. Moreover, the framework only takes into account the expenses to consumers of power. As the hon. Gentleman said earlier, it is clear that investment in renewable energy is affected. The change in the merit order and the downward pressure on prices has a real effect on wholesale prices. It is estimated that for every pound that is invested, about 60p comes back. That has not been taken into account in the calculation of the costs of the levy control framework, and I think that it is an argument for another fundamental redesign of the framework after 2020.

The hon. Gentleman mentioned another issue that I consider to be as important as the levy control framework itself: the signals that are given out by the parallel arrangements for the capacity auctions, which have exactly the same effect as the framework on customer bills. The energy companies will pay into a levy, which will eventually land on customers’ doormats in the form of a bill. However, although the Department has said that capacity auctions for the continuation of supply of non-renewables for mineral-based power stations will be within the levy control framework, they have kept the sums involved in those auctions outside the headline total for the limit of the levy control framework up to 2020.

That may not be particularly surprising. It is clear that all the billions of pounds that have been thrown up against the wall in relation to capacity auctions—when it comes to trying to get some new gas-fired capacity power stations on stream, or, failing that, to ensure that gas-fired, coal-fired and, indeed, nuclear power stations can continue to supply energy—bear no relation to the limits that have been set for the levy control framework. Not only do they bear no relation, but the Committee on Climate Change estimates that some £70 of a customer’s bill will fund renewables by 2020. It is currently about £35.

On capacity auctions, a new auction was recently announced for a period preceding those of the two T-4 auctions that have already taken place. The estimated cost to consumers for those capacity auctions will be something like £15 on the bill for the first two auctions and as much as £36 for the most recent auction. If we add the figures together, we find that by about 2020 the cost to the customer of capacity auctions will be about the same as all of the costs rolled up for renewables under the levy control framework, yet one is capped and the other is not. If the Government are prepared to put up £5.5 billion on capacity auctions but not to proceed with the levy control framework, which is actually able to deal with renewables investment over the next few years, that must send a message to renewable and low-carbon investors. That is fundamental and needs to be addressed.

I will bring my remarks to a close, but I hope that the Secretary of State will indicate in her response that the
levy control framework will be coming forward after 2020 in a decent form and that it will be reviewed to take into account my points about its operation.

9.1 pm

David Mowat (Warrington South) (Con): It is a pleasure to follow the hon. Member for Southampton, Test (Dr Whitehead) who, as ever, spoke in great detail. I will speak in less detail, and I think my remarks will be a bit shorter.

I enjoyed all three of the Energy and Climate Change Committee’s reports, and I congratulate the Committee on them. Before I get to my specific points, I will say that the Chairman’s suggestion that we should devolve energy policy to Scotland does have some merit. It is true that Scotland has the lowest carbon emissions per capita of any of the nations of the UK, which it achieved by having a higher proportion of its electricity come from nuclear power than any other region. To that extent, we can all learn from what Scotland has achieved.

Turning to the thrust of the three reports, I want first to talk about investor confidence, because it is valid to say that if investor confidence disappears, there will be an associated cost. If I am in business and my business model is all about Government subsidies, it is reasonable that there will be some discontinuity and I should expect that.

My hon. Friend the Member for Eddisbury (Antoinette Sandbach) made the point that we have slipped from eighth to 13th in the table for renewables and wondered how that could be compatible with meeting our decarbonisation targets, which are the most challenging of any country. The answer to that is of course that it is not compatible. It would be better if that was improved, but renewables are only one part of how we are going to decarbonise.

In the UK, 9% of our energy comes from renewables. The Chairman of the Select Committee read out some numbers relating to current energy production. In fact, I think he was talking about electricity, because energy includes transport and all that goes with it. It is true that 30% of renewables investment in the EU last year was in the UK, and it is also true that the Government are making a great deal of progress on nuclear power, but they need to do even more on substituting gas for coal, which would make the single biggest difference.

Other people will talk about carbon capture and storage tonight, and I regret that it did not go ahead, but I am uncertain whether there is a clear pathway of how it will work. We talk about Canada and perhaps Norway, but neither of them is yet commercial and there is a lot more work to be done to make that happen. I would defend the Government somewhat on the notice they gave to the stock exchange before Parliament. As others have said, companies such as Shell invested huge sums in this, the announcement was price-sensitive and the stock exchange had to be told before Parliament.

Mr MacNeil: The hon. Gentleman says that CCS is not “commercial”, whatever that means. The point I made was about meeting the climate change targets on grams of carbon dioxide. Nuclear is not commercial either; indeed, a former Energy Minister from his party said a few weeks ago at a breakfast meeting that Hinkley C was not chosen for reasons of economics. The hon. Gentleman cannot therefore make a commercial argument for one thing and then change it for the other.

David Mowat: We can spend a long time talking about the word “commercial” in that context. The former Energy Minister the hon. Gentleman just referred to is the one I am about to talk about in the context of the third report, which was on the green deal, the energy company obligation and some of those things. I am not going to try to defend everything that has happened over the past five or six years in that area, because it has not been good and the Government must do much better. There is a big prize to be gained in energy efficiency, and the one thing we can all agree on, whether or not we agree on nuclear, CCS or anything else, is that we have to do a lot better on energy efficiency. What happened on the green deal was little short of a disaster.

I wish now to discuss market signals, because we have made the biggest market signal over the past week that could be imagined: we have accepted the Committee on Climate Change figure of a 57% reduction in carbon emissions by 2030, although that is merely consistent with the Climate Change Act 2008. I am pleased that we have done that, but I wish to make the point I have made previously, which is that I am worried that others around the world are not following us in the way we might have expected or hoped they would. I am talking not about China or India—these economies that must catch up—but about other countries in Europe.

In these debates, we sometimes gloss over the impact on electricity prices, which means fuel poverty or uncompetitive manufacturing. The Department of Energy and Climate Change website this morning showed that our electricity prices are 60% higher than the mean in the EU, and our industry’s electricity prices 90% higher than the EU mean. When the Government talk about rebalancing the economy and the northern powerhouse, I just say this: if we are serious about manufacturing, we should be aware that it is very hard to do that with differentially higher electricity prices. Some of our debates about energy and the need to decarbonise must be seen in that context, notwithstanding the merit order effect, which we have heard about tonight.

It saddens me that our 57% target is approximately double the European target put into the Paris commitment in the INDCs—intended nationally determined contributions. Europe’s target was a 40% reduction over the same timeframe as our 57% reduction, but that includes the UK, and if our contribution is taken out, we are talking about roughly double the rate. But these countries are not even achieving that. This year, 18 of the 28 countries in the EU increased their carbon emissions, whereas the UK managed a 3% reduction. Why is that happening? It is because they continue to burn coal at a rate that is generally very high, although it is coming down in some cases. The Secretary of State made an announcement last November that we would phase out coal by 2025, yet a week later the Germans commissioned their brand new lignite-burning, unabated coal power station. As I said earlier in this debate, Germany burned four times as much coal as the UK. But it is not just Germany; Holland, Ireland and Austria all burn significant amounts of coal. There is an issue here that has to be resolved as we make our progress towards a 57% reduction. We cannot do it on our own. Part of the UK showing
leadership involves making sure that other countries come with us. China is doing a lot more than many others.

9.9 pm

Alex Cunningham (Stockton North) (Lab): In these days of uncertainty, one thing is certain: if we are going to go it alone in the big bad world out there, we need energy policies that are fit for our future requirements, and that means making sure that our spending priorities are targeted properly. Yet already reports suggest that the UK is lagging behind an existing legally binding EU target that 15% of energy should come from renewables by 2020, with the Government bringing an end to subsidies for new onshore wind farms, cutting support for solar power and cancelling the zero carbon homes standard.

Moreover, the Government are failing to provide the investment that we need in energy efficiency to support a low-carbon economy here in the UK, and have ditched support for low-carbon technologies such as carbon capture and storage, or CCS. I know through my chairmanship of the all-party parliamentary group on CCS that, following the decision in last year's comprehensive spending review to withdraw the £1 billion for the CCS competition, the industry has spent several months considering and developing its thinking on the way forward for the technology in the UK, but industry wants answers from the Government.

Although the EU referendum result has undoubtedly left UK politics in a state of turmoil, the climate change agenda and therefore the CCS agenda must remain a strong priority. Just last Thursday, a mere week after the EU referendum, the UK agreed its fifth carbon budget as part of the Climate Change Act, committing the UK to cut emissions by 57% from 1990 levels by 2032. This is a more rigorous target than the collective EU agreement to cut emissions by 40% before 2030 as part of the Paris accord, and as such was a commitment to be welcomed and embraced. However, there is no doubt that CCS and, I would argue, industrial CCS, must have a significant role to play if we are to meet that goal.

The carbon budgets determine the direction for the UK's low-carbon transition. Any uncertainty about the status of the target is therefore disruptive at best and catastrophic at worst. The Government have already slashed funding for greener energy options. Further ambiguity will not secure the investment needed, but will lead to increased costs. We need the Government to clarify the status of climate targets in the light of the outcome of the EU referendum, and to clearly prioritise energy spending intentions to ensure that realistic and responsible goals are retained and achieved.

I would argue that following the referendum, it is more important than ever that the Government commit to being a world leader in important areas such as climate change and energy policy, driving innovation and investment, rather than sitting in the passenger seat attempting to give directions.

The importance of carbon capture and storage to meeting the UK’s climate change targets was confirmed when, on the same day as the fifth carbon budget was agreed, the Committee on Climate Change published its 2016 progress report, which specifically recommended that the Government urgently come forward with a new approach to CCS technology. I know that the Minister of State, Department of Energy and Climate Change, the hon. Member for South Northamptonshire (Andrea Leadsom), has been busy working for an EU exit and is now preoccupied with becoming the next Tory leader, but she has promised a new plan for CCS for eight months now, and it is time that we saw it. I firmly believe that in the light of what happened less than two weeks ago, the Government’s new approach now promised towards the end of this year is far too late, and Ministers need to come to the House much sooner. I would none the less welcome hearing from the Minister’s boss, the Secretary of State, that the events of 23 June will not be allowed to cloud our collective judgment and create a barrier to progress.

The absence of the CCS demonstration projects, which had been expected to contribute towards decarbonisation of power generation by around 2020, is extremely worrying and is something that I know the energy intensive users group has raised previously with the Energy Secretary. I share the group’s view that it is difficult to see how the Government’s absence of policy ambition for CCS can be reconciled with the recommendations of the Committee on Climate Change for power sector decarbonisation, or with the Government’s stated desire to enable energy-intensive industries to remain part of the UK economy in the longer term.

The Tees valley, in which my Stockton North constituency falls, represents one of the largest clusters of manufacturing industries in the UK. Industries in the region contribute more than £10 billion to GVA—gross value added—annually, provide more than 25,000 manufacturing jobs in the local area, and produce a significant share of the UK’s manufacturing output, but they also emit some 22% of the UK’s total emissions from manufacturing industries, meaning that industrial CCS has the potential to protect these energy-intensive industries from future high carbon prices, while curtailing CO₂ emissions.

We know that CCS is a core component in a number of energy-intensive sector 2050 industrial road maps developed by the Department of Energy and Climate Change and the Department for Business, Innovation and Skills, alongside industry. However, despite that and the expectation that CO₂ abatement costs may be lower for some industrial applications than for power generation, there is no specific support policy for industrial CCS deployment. I would be grateful if the Secretary of State could outline what steps her Department is taking to address that disparity.

Some energy-intensive industries have started to benefit from the Government’s carbon compensation package, following approval from the EU. I welcome that, but what is the future for carbon taxes and compensation post EU membership? Will the burden of EU carbon taxes still exist? If so, to what extent? Will the extra costs imposed by the British Government, over and above the EU costs, be removed any time soon?

Importantly, the Committee on Climate Change singled out new CCS transport and storage infrastructure as crucial for meeting future carbon budgets, and it recommended that separate consideration be given to the support needed to enable the development of that infrastructure. Only by developing it in places such as Teesside, which has the capacity and expertise to make such projects work, can the UK even hope to secure a stable future post EU.
Investment in such infrastructure holds the potential to secure thousands of jobs, which are more important now than ever before, in the light of the failures in the Government’s handling of the steel crisis and the subsequent rises in unemployment on Teesside. However, with the UK having stated its intention to vacate its seat at the top table as far as policy making at the EU level is concerned, can the Minister reassure the House that plans are in place to guarantee that DECC officials can continue to collaborate with their EU counterparts as policies for CCS are developed?

I would also welcome the Minister confirming that the industry will not lose out on current or future support as a result of our leaving the EU and that backing for these technologies will be a priority for the Government. She will be aware that EU funds have supported, and continue to support, CCS projects in the UK, such as the Don Valley project, which receives in the region of €180 million from a European economic recovery package. I would be grateful if she could outline how the Government intend to replace those monies for existing and potential future projects once the UK ceases to be part of the EU.

9.17 pm

Graham Stuart (Beverley and Holderness) (Con): The Government have approved the fifth carbon budget—the framework of all frameworks. That is the why people should be optimistic. That is the message that needs to go out from this place to investors. That is where we are headed—to 2050, with the Climate Change Act 2008 intact and supported by the Government and the Labour party.

It is important that we do not send out a message or a tone from this place that suggests that investors should not be confident. There are quite a number of ways in which we can all boost confidence. We are in a time of change, and I hope we will never again have a Chancellor of the Exchequer who says we do not want to lead in this area. We should lead in this area, not least for the reason pointed out by my hon. Friend the Member for Warrington South (David Mowat)—inconsistency elsewhere. If there is a Chinese electric bus company, an innovator in California or somebody anywhere in the world working in this area, they should come to Britain, because we are leading the world, we are committed to this issue and we have a law in place that has support across the House.

On the detail, energy reset will happen this year, and the Government are looking at the issue again, now that we have a Conservative majority. Brexit also provides opportunities. What are we going to do when we leave the European Union? We need to make low carbon our central task.

That also goes to the point my hon. Friend the Member for Warrington South always rightly raises, which is cost. We have to drive that cost curve downwards as quickly as possible. That requires coherent policy making, sound messages and a constant positive tone across the House if we are to make the UK the low-carbon centre of the world. If we do that, we will get costs down and we will lower our energy costs.

Antoinette Sandbach: Will my hon. Friend give way?

Graham Stuart: I do not think there is time for my hon. Friend to come in. With that, I will sit down.

9.19 pm

Steve McCabe (Birmingham, Selly Oak) (Lab): I congratulate the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) on securing this debate and on the work of his Committee in probing the Government.

As the Committee makes clear, we seem to have come a long way since the heady days of the promises to lead the “greenest Government ever”. In reality, we have had years of policy chopping and changing, and now an energy policy that seems to be going into reverse. First we had the green deal, ended, in effect, last July after local authorities the length and breadth of the country had wasted a fortune in time and money trying to make it work. In my own area, Birmingham Energy Savers is one such venture, launched at the behest of the Government in 2011 and forced to wind up as the latest shift in Government policy brought its ambitions for energy efficiency to a shuddering halt. No one on the Government Benches wanted to listen to concerns about the green deal in the early days. They ignored warnings about the complicated structure, the expensive bureaucracy, and the sheer cost to homeowners. They insisted that they knew best, but of course they were wrong. With the sure touch that has become the hallmark of Conservative government, they decided to end the scheme, after years in denial, in the very month that it reached its highest level of performance.

It was not just the green deal. The previous Labour Government had a fair degree of success with Warm Front, which was a progressive, taxpayer-supported initiative designed to reduce energy bills and improve insulation, so of course the Government scrapped it and replaced it with the energy company obligation—little more than a hidden Tory energy tax on all consumers, irrespective of their incomes.

Jim Shannon (Strangford) (DUP): In Northern Ireland we have fuel poverty levels of 35%-plus—the highest in all the United Kingdom of Great Britain and Northern Ireland. Does the hon. Gentleman agree that we need—perhaps the Minister will respond to this—a policy and a strategy to make sure that all new builds are efficient, and that for houses that need to be so there is a co-ordinated plan across the whole of the United Kingdom of Great Britain and Northern Ireland such that every council will try to achieve that?

Steve McCabe: I certainly agree that we need a plan that goes much wider, reaches a lot more homes, and focuses on new build.

The problem is that so successful is the direction of current Government policy that by 2017 about 200,000 homes, as opposed to 1.3 million, will be eligible for energy efficiency measures, and the total level of investment in energy efficiency will have halved. In essence, we have ended up with a policy where only those who qualify as fuel poor can get any help to fund energy efficiency measures. That is no doubt partly why the Committee on Climate Change recently claimed that cutting carbon emissions from the home was now a policy in reverse. Matthew Bell, its
such opportunity. Professor David Heald of the University
of Glasgow in my constituency told the Procedure Committee that the estimates process is “completely irrelevant” to Barnett allocations. That has been proven once again during today’s two debates.

It is also clear that estimates days are not very useful in scrutinising the detail of Government policy. Despite the fact that we are considering three Energy and Climate Change reports, my hon. Friend the Member for Na h-Eileanan an Iar has outlined how woefully inadequate the Government’s response to them has been. Even though this is supposed to be a chance for Select Committees to have their reports discussed on the Floor of the House, the reality is that time is compressed.

In terms of energy savings, new technological developments, and a growth in green energy jobs, this Government’s achievement has been not to be the greenest ever but the biggest failure ever. We need a settled Government policy and an environment where businesses and consumers can plan ahead. We need a fair and simple plan that incentivises households and the rented sector to invest in home energy improvements. We would be helped in this by a signal from Government that they intend to support the Leasehold Reform (Energy Efficiency) Bill. Alas, we have a Government bereft of practical policies to meet more than half of the emissions reductions required by 2030, and many of the existing EU-linked initiatives are now in doubt because of the botched referendum. The abandonment of the carbon capture and storage initiative is just the latest in a series of U-turns by a Government who are without direction and any coherent energy policy.

Patrick Grady (Glasgow North) (SNP): Here we are again: yet another estimates day debate where the one thing that does not actually get discussed is the estimates. The motion authorises a reduction in the expenditure of the Department of Energy and Climate Change to the tune of £2,605,722,000, as outlined in HC 967 of 2015-16—all 652 pages of it.

The impact that the reduction will have on investors and consumers has been ably investigated by the Energy and Climate Change Committee, which is so effectively chaired with flair and panache by my hon. Friend the Member for Na h-Eileanan an Iar (Mr MacNeil). He is one of only two Scottish National party MPs ever to chair a Select Committee, the other being my hon. Friend the Member for Perth and North Perthshire (Pete Wishart), who also has things to say about the estimates process.

Page 238 of the booklet suggests a cut of £184 million to the Department’s budget for managing the UK’s energy legacy safely and responsibly, which I am sure will help all of us sleep at night. Page 241 lists the EU Government grants received. I suppose they will not appear much in future, which I am sure the Minister of State, Department of Energy and Climate Change, the hon. Member for South Northamptonshire (Andrea Leadsom), will be happy about—interestingly, she is absent this evening, although I do not know what could possibly be keeping her away—but the 78% of my constituency who voted to remain will probably beg to differ.

Interestingly, the implications of the Barnett consequentials are nowhere to be found in the booklet, even though we were repeatedly told during the English votes for English laws process that estimates days were our opportunity as Scottish MPs to have our say on consequential spending. The reality is that there is no such opportunity. Professor David Heald of the University

Callum McCaig (Aberdeen South) (SNP): I welcome the fact that we are debating these important Energy and Climate Change Committee reports, but as my hon.
Friend the Member for Glasgow North (Patrick Grady) has ably demonstrated, it is a pity that we are doing so tonight when we should be discussing how we spend all the money that the Government spend—it is a whopping figure. There is a tinge of irony in the fact that less than three weeks ago, this country apparently voted to take back control to make this Parliament sovereign once again, and yet we cannot even properly debate how we spend our money.

Of the three reports, the investor confidence report is the critical one. It explodes the myth of the so-called long-term economic plan. The point about rhetoric versus reality is very much borne out. To quote the report, in reference to contracts for difference, “merely stating that there may be three auctions this Parliament does not constitute a ‘plan’.”

In fairness, the absence of a plan around Brexit makes that look like a detailed, well worked out masterplan, but in reality it is not. All joking aside, the report goes on to say:

“We heard that policy uncertainty was weakening the case for investment in energy in the UK. This could mean that projects become more expensive to deliver—as investors demand a greater return on their investment to compensate for increased risk—or that projects simply do not go ahead. Moreover, any hiatus in energy investment could undermine the UK’s ability to meet climate, energy security and affordability objectives.”

In essence, all three sides of the energy trilemma have been undermined by the Government’s incoherent and ad hoc policy decisions. Throw in a dose of Brexit uncertainty, and there is a real requirement for the Government to provide some certainty if we are to meet the challenges of not just affordability of electricity and reducing carbon, but security of supply. All three of those are questionable. They were questionable before the Brexit vote, and the resulting increase in uncertainty has magnified that substantially. It is clear from the report that that has significantly undermined investor confidence, particularly in Scotland.

The undermining of our renewables industry in Scotland has been damaging. The discussions about carbon capture and storage are hugely undermining the Scottish industry. We had the potential in Peterhead to have both the world’s first floating wind farm commercially deployed, and carbon capture and storage in Peterhead power station. That would have given a relatively small part of Scotland a chance to be right at the global cutting edge of the carbon reduction and climate change technological advances. Unfortunately, one part of that is not going ahead, and that is substantially regrettable.

We have heard discussions about the regrettable fixation on one side of the levy control framework and the fact that there is an opaqueness around the levy control framework. I add to the Select Committee’s call for us to be shown the detailed working behind that. We need an understanding from the Government that if investment in low-carbon technology drives down price, thereby increasing the notional overspend on the levy control framework, it does not necessarily lead to greater cost for the consumer. If we are undermining investment in the low-carbon industries based on a desire to protect the consumer—that would be a reasonable position to start from, although not necessarily one that I agree with wholeheartedly—we need to look at what we are doing in the round. The report says that the increase in the cost of the levy control framework from the fall in the wholesale price of conventional electricity will be half a billion pounds, but that is not an additional cost to the consumer. It is certainly not a reason to cut the support—the long-term investment in the future—that investment in renewable energy will bring.

There is huge uncertainty over how we will deal with our European neighbours following the vote two weeks ago. In her reset speech, the Secretary of State for Energy and Climate Change discussed at length the benefits of energy union and how it needs to be worked upon. We have no idea whether that will carry on or whether it will be part of the emissions trading scheme.

Mr MacNeil: My hon. Friend raises a good point. It would be useful if DECC laid out what the three most likely scenarios would mean for energy policy: European economic area membership, European Free Trade Association membership and the third-country option. Given the words of Commissioner Malmström, it seems that if the UK goes for the third-country option, we will have to leave the EU and then negotiate for however many years before we have a deal. It would not happen concurrently with exit, so we need to know what that might mean for energy policy.

Callum McCaig: I would go further than saying that that would be useful; it is absolutely essential. It behoves a responsible Government to do that. These are not contingency plans any more; they are just the plans. There must be some sense of certainty about what is going on.

The reports from my hon. Friend’s Committee have ably demonstrated that uncertainty builds in additional cost. We have to replace a significant proportion of our electricity capacity in the next decade or so. Perhaps the cost will be greater because the pound will be weaker when we are outwith the EU. These things need to be addressed. It would be unfair to expect the Secretary of State to come out with a detailed plan now, but we need an undertaking that her Department will do the necessary work, and in short order, to deliver some form of certainty, otherwise we will be in a real pickle very soon.

The hon. Member for Beverley and Holderness (Graham Stuart) said that he was delighted and that the only signal we needed to give to the markets was the welcome announcement that the Government accepted the targets of the fifth carbon budget. I share his enthusiasm that the Government have done that, albeit somewhat later than was expected by many, but as the Committee on Climate Change has suggested, we need a little more of the “how”, as well as the “what”. Again, I hope that the Government will soon deliver a bit more on how we will do it. These are fundamental questions and they cannot go unanswered.

To conclude, the Government have created uncertainty in this field and that uncertainty has since been magnified. That stresses the fundamental importance of having a long-term plan that has cross-party buy-in, and that is not subject to the whims and changes of Government. The climate change legislation provides a model for how we can work collaboratively across parties and across Parliaments and Assemblies. Another model is the National Infrastructure Commission. Following the
uncertainty that the Government have created themselves and the uncertainty caused by the Brexit vote, we need a plan that we stick to and deliver.

9.38 pm

Barry Gardiner (Brent North) (Lab): I thank the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) and his Committee for initiating this debate, for giving the House the opportunity to consider the direction of the Government’s energy and climate change policy, and for their excellent reports.

Like the hon. Gentleman but, I suspect, unlike the Secretary of State, I look forward to the publication of the findings of the National Audit Office’s inquiry into whether the Government will have to pay compensation to carbon capture and storage project developers. That could result in a multimillion pound bill for the taxpayer. I hope that the Secretary of State will acknowledge that this might have been an extremely expensive decision indeed. One would be forgiven for imagining that DECC has received instruction from the right hon. Member for Surrey Heath (Michael Gove) when one looks at the way in which it led the industry on until the very last minute, before finally applying the knife to carbon capture and storage. Well, there we are. It is no wonder that the hon. Member for Warrington South (David Mowat) regretted the decline of the CCS projects. He was quite right to do so. He also spoke very powerfully about the green deal, calling its demise nothing short of a disaster.

The hon. Member for Beverley and Holderness (Graham Stuart) quite rightly praised the Government for agreeing with the Committee on Climate Change on the fifth carbon budget. I agree with him. I just wish that they had actually set it by the statutory limit in accordance with the Climate Change Act 2008. It had to be set and voted on under the affirmative resolution procedure of this House by 30 June. That did not happen. I hope that the Secretary of State will clarify the legal status of the budget to the House. It is one thing to accept the recommendation of the Committee on Climate Change, but simply accepting is not good enough. The Climate Change Act is very clear on that point: it has to be set. So far, it has not been.

The judgment of the hon. Member for Edgbaston (Antoinette Sandbach) was absolutely impeccable. She spoke at great length, but it was a great speech. She talked about the investor community being startled, but in a way that, I trust, did not scare the horses or make calling its demise nothing short of a disaster.

My hon. Friend the Member for Stockton North (Alex Cunningham), despite his sore throat, spoke very powerfully about the need to bring forward the UK carbon plan. He is absolutely right. That goes to the point made by the hon. Member for Beverley and Holderness and by the Scottish National party spokesperson, the hon. Member for Aberdeen South (Callum McCaig). It is great to have the ambition of the fifth carbon budget, but, yet again, we look back to 2011, when the fourth carbon budget was set. We know that the statutory obligation is to bring forward, as soon as reasonably practicable, a plan to show how it will be achieved. Five years later, we are still waiting for that. My hon. Friend’s point was a very fair one: it should be brought forward by the end of the year and rolled out immediately, to give confidence to investors.

My hon. Friend the Member for Southampton, Test (Dr Whitehead) speaks with such knowledge and authority on these matters. He made a very powerful point about the LCF after 2020, and I hope the Secretary of State will give some clarity on that in her closing remarks.

In its latest report, “Meeting carbon budgets”, which was published last Thursday, the Committee on Climate Change showed that there is a need for “urgent action to strengthen policies” without which progress on emissions will not continue. We are in a post-Brexit situation. Investor confidence has been lost through heightened uncertainty, creating a crisis in investment that in turn creates a crisis in energy costs, as greater uncertainty results in higher costs of capital. National Grid has issued a warning that energy bills would rise and energy security be put at risk if, like Switzerland, the UK is excluded from Europe’s internal energy market. The Secretary of State herself cited analysis by Vivid Economics ahead of the referendum that warned that the potential impact of exclusion from the IEM could be up to £500 million a year by the early 2020s.

Given the Secretary of State’s clear view on this, which I agree with, and bearing in mind that the Chancellor has been forced to announce that his fiscal surplus target is being dispensed with, as we will no longer be able to balance the books by 2020 as he had promised, and that growth has been downgraded from 2% to just 0.4%, we must ask her with what certainty she is asking us to consider the estimates for her Department. Her Cabinet colleagues have been very clear that to meet the deficit, they can raise taxes, or cut departmental spending, or borrow. Which is it going to be? For goodness’ sake, the Government are in the midst of a financial crisis. The Chancellor refuses to tell us how he is going to get out of it—he says it is up to a future Chancellor to decide, because he knows that in a few short weeks he will no longer be the occupant of No. 11—

Mr MacNeil: Will the hon. Gentleman give way?

Barry Gardiner: I cannot, I am afraid, because of the time constraints.

The Chancellor will not have to make that decision. The Secretary of State is asking us to approve estimates that have about as much chance of remaining solid as an ice cube in a Jamie Oliver stir-fry. This motion is not responsible financial management; it is government by magic wand—think of a number, close your eyes, and make a wish. Will the Secretary of State give a clear answer about her level of confidence that these estimates will be reflected in the outcomes at year end?

Ministers insist that Britain is open for business but energy companies have halted major investments in the UK. This week the Secretary of State told business that she is certain that investment will continue to flow, yet Siemens has paused clean energy investments in Hull, and according to the Government’s external adviser, a future for Hinkley Point C nuclear power station project is now “extremely unlikely”. That is not Her Majesty’s Loyal Opposition “talking Britain down”; that is the Government’s own adviser telling it as it is. Vattenfall is reassessing the risk of working in the UK, which could jeopardise its plans for a £5.5 billion wind farm off England’s east coast. Bloomberg New Energy Finance has warned since the referendum that the uncertainty caused by the result and the upcoming negotiations
“is likely to cause project investors and banks to hesitate about committing new capital, and could cause a drop in renewable energy asset values.”

The Institutional Investors Group on Climate Change, which represents more than €30 trillion of assets, said that the aftermath of the vote “brings considerable uncertainty and market turmoil.”

These are deeply worrying times, but the Government do not seem to recognise the urgency of quashing such uncertainty and instability. Will the Secretary of State’s Department push for access to the internal energy market as a negotiating priority, and how will the Government gain support from EU member states to accept that?

SSE has said that collaboration with other European countries on energy matters is important for UK consumers. What calculations or estimates has the Department made of price premiums on loans that will be demanded by investors in UK energy infrastructure to cover the costs of political uncertainty? How much will that add to the cost of building new electricity generating capacity?

To reduce that uncertainty, it is imperative that the UK provides a clear direction of travel on domestic policy. Why did the right hon. Lady fail to uphold her statutory obligation under the Climate Change Act 2008, and not take the necessary steps to ensure that the order was set by 30 June?

The European Investment Bank is the UK’s biggest clean energy lender, having invested £31.3 billion into British clean energy projects over the past five years. Will that funding still be available for projects already in progress or agreed, such as the four clean energy projects under assessment by the European Fund for Strategic Investments? What funding sources have been identified to replace the opportunities that we will lose for research and development in clean energy to power the future?

Have the Government discussed the future of Hinkley Point with EDF and/or the French Government, as a result of the vote to leave? The Government estimated in 2014 that by 2020 the annual net savings to the UK economy for the European energy standards and labelling ecodesign would be in excess of £850 million per year. Will those potential savings be compromised by the process of leaving the EU? The right hon. Lady must begin to answer those questions.

As the referendum result was causing political and economic chaos, the final results of the two-year Competition and Markets Authority inquiry into why customers are being overcharged by nearly £2 billion a year for their energy were quietly released. The recommendations are nothing to shout about, as they will not deliver the Prime Minister’s promise from four years ago to put all households on the cheaper tariff. How will the Department introduce more transparency over available deals, and provide support to make it easier for customers to switch, thereby putting an end to the big six milking their loyal customers to maintain profits amid falling wholesale prices?

Hundreds of thousands of families cannot afford their energy bills, and in 2014-15 that contributed to 43,900 excess winter deaths. However, Ministers are still letting energy companies off the hook and failing to ensure that the drop in wholesale prices is passed on to people’s bills. Will the Secretary of State ensure that the UK ratifies the Paris agreement before the Prime Minister leaves office?

The Secretary of State for Energy and Climate Change (Amber Rudd): I welcome the hon. Member for Brent North (Barry Gardiner) to his place. I am grateful to all hon. Members for their contributions, in particular the Chairman of the Energy and Climate Change Committee for his involvement in today’s debate and for his leadership in the Committee.

The Government welcome the Committee’s continued interest in gaining investor confidence in the UK energy sector, household energy efficiency and demand reduction, as well as the future of carbon capture and storage. All remain high priorities for us, and I believe we have a strong track record in all three areas, which I will set out.

Giving clear, meaningful signals for investment in energy is of course essential. That is what we gave when we became the first country to set out plans to close unabated coal power stations by 2025. Recently, we announced a package of reforms of the capacity market that was widely welcomed by stakeholders. The hon. Member for Southampton, Test (Dr Whitehead) spoke with his usual extensive knowledge on the capacity market. I would point out, in answer to part of his question, that the capacity market is technology-neutral and focused on security of supply, while the levy control framework has an entirely different focus, which, as he rightly set out, is on low-carbon electricity. The Government will be setting out more on the future of the LCF in the autumn statement.

The capacity market changes have sent a clear signal to investors that will encourage the secure energy sources we need to come forward, such as gas and interconnectors, as part of our long-term plan to build a system of energy infrastructure that is so needed for the 21st century. We will support over 10 GW of new offshore wind projects in the 2020s, with three auctions during this Parliament if costs come down. In March, it was announced that the world’s largest offshore wind farm would be built off the Yorkshire coast. This will bring jobs and growth to the local community, while powering 1 million homes.

We are boosting innovation funding to over £500 million, including £250 million for nuclear innovation and small modular reactors.

The theme that came through again and again during the debate related to the fifth carbon budget, which I am sure the Chair of the Committee intended to welcome in his earlier remarks. I was, however, particularly pleased to hear enthusiasm from my hon. Friend the Member for Beverley and Holderness (Graham Stuart) and I thank him for it. He said it was good and positive news, as well as a clear and important investment signal. The private sector knows the Government are committed to it and will be legally bound by it.

I am grateful to my hon. Friend the Member for Eddisbury (Antoinette Sandbach) for her comments on the private sector. She spoke constructively about the need for investment to help to deliver on these targets. It is encouraging that when we made the announcement last week it was so widely welcomed by the investment community. We will, of course, continue to look at other impacts on the investment community.

On home energy, energy efficiency is rightly seen by many, and certainly by the Government, as an excellent means to not one but several ends. It contributes not
only to reducing energy bills, but to reducing carbon emissions and improving the security of our energy supplies. Our manifesto clearly set out how we will help to further 1 million homes this Parliament, as part of our commitment to address fuel poverty.

The hon. Member for Birmingham, Selly Oak (Steve McCabe) gave us a canter through previous home energy efficiency measures. I hope my comments will reassure him about our commitment to deliver on those 1 million homes. I thank the hon. Member for Glasgow North (Patrick Grady) for his comments and hope that his energy usage will indeed be reduced by his new smart meter. We are delighted that the Government programme is on target, so that everybody will be offered the advantages he has by 2020.

Graham Stuart: On a point of order, Madam Deputy Speaker. Just before the debate finishes, the shadow Secretary of State said that investment in Hull by Siemens was “on hold”—I think those were the words—but investment there most definitely is not. He might want to make that clear, unless I misheard what he said. That investment is very important in our local area and that investment is continuing.

Madam Deputy Speaker (Natascha Engel): That is more of an intervention than a point of order and the Secretary of State may want to address it.

Amber Rudd: I am grateful for the opportunity to correct any misunderstanding that the hon. Member for Brent North may have put out there. We have been told very clearly by Siemens that the investment in Hull, and the 1,000 or so jobs that go with it, is absolutely secure.

Melanie Onn (Great Grimsby) (Lab): I thank the Secretary of State for giving way because this is incredibly important. The chief executive of Siemens has said that future investment is on hold, and he was talking about exports. That is an incredibly important point in terms of developing and growing jobs in that key area.

Amber Rudd: I thank the hon. Lady. Let us just agree that there is no change to the exciting development taking place there and the job opportunities recently announced.

We have all agreed that carbon capture and storage plays a potentially important role in the long-term de-carbonisation of the UK’s economy, but our view is that it is currently too expensive and that costs must come down. While CCS projects are happening globally, more innovation is needed to reduce costs. That is why we are committed to working with industry to bring forward innovative ideas for reducing CCS costs, having invested more than £130 million in CCS research and development since 2011, and why we continue to work with others to progress the technology collaboratively. In parallel, DECC continues to provide support to the CCS advisory group, chaired by Lord Oxburgh, whose findings and recommendations will inform our thinking on the way forward.

It was interesting to hear from the hon. Member for Stockton North (Alex Cunningham) and my hon. Friend the Member for Warrington South (David Mowat) and to hear about their support for CCS. To both I would say that the door is not closed and that we recognise the important role it will play. I urge my hon. Friend, when he draws comparisons with low-carbon targets in other countries, to look also for signs of progress, and not always to point out the negative side in other countries. I am sure that he, like me, will welcome the fact that the French have announced a carbon price floor. I am sure that there will be improvements from other countries as well.

Several Members asked about the impact of leaving the EU on our energy policy. In particular, we heard from the hon. Member for Aberdeen South (Callum McCaig) and the hon. Member for Brent North, who raised several points relating to Brexit. We must face up to the fact that it will make some of our targets more difficult. I do not have the answers about what our future relationship will be with the EU on vital elements, such as the emissions trading scheme and the energy union. It will make some of the challenges we already face more difficult, but I will say fairly and squarely to all hon. Members that we are in dialogue with all the large investors and companies supporting our investment in energy. They are working with us to ensure that there is no major change in the area. Specifically on Hinkley Point, I have indeed spoken to EDF, and we have had conversations with the French Government, and we have been told that there is no change: they remain committed to arriving at a final investment decision.

I would like to reassure all hon. Members that we remain committed to delivering clean, secure and affordable energy. It might be that this task has become a little harder, but what remains unchanged is our determination to do that while always thinking of the consumer first.

9.57 pm

Mr MacNeil: I would have liked to hear some timings on CCS from the Secretary of State. Many in the industry come to me concerned that, despite her warm words, there are no timelines. I am sure her commitment and that of the Government is sincere, but quite what that means for the industry is something else entirely. Perhaps when the capacity market comes up, she could think of a demand-side response.

This has been a wide-ranging, informed and useful debate, although I take the point made by my hon. Friend the Member for Glasgow North (Patrick Grady) that the estimates include more than just energy and justice. The Chair of the Justice Select Committee is a distant cousin; not many will know that his ancestors were from the island of Barra—where I am from myself—and that he is really a MacNeill who dropped the Mac. That being as it is, Madam Deputy Speaker, I thank you for the opportunity to hold this debate, and I look forward perhaps to some changes arising from it.

I seem to have an extra minute—quite unexpectedly, as I thought we had agreed earlier that I would not, Madam Deputy Speaker. Nevertheless, it is always fantastic to have the opportunity to speak in the House of Commons and to detain the House for a moment or two so that we might reach 10 o’clock, whereupon I understand we will be having a Division. [Interruption.] Madam Deputy Speaker, I think you might be indicating that we have reached the point when I can wind up and pass over to you. [Interruption.] I hope the viewers at home are hearing the booing. If you want me to carry on, Madam Deputy Speaker, I am more than happy to do so.
[Mr MacNeil]

I thank you, Madam Deputy Speaker, for the opportunity to contribute to the debate. It is greatly appreciated by me and, more seriously, appreciated by the Committee and especially appreciated by those in the energy community who will be paying great attention to the words uttered here in this Chamber tonight.

10 pm

The Deputy Speaker put the deferred Questions (Standing Order No. 54)

ESTIMATES 2016-17

MINISTRY OF JUSTICE

Question put,

That, for the year ending with 31 March 2017, for expenditure by the Ministry of Justice:

(1) further resources, not exceeding £4,017,927,000 be authorised for use for capital purposes as set out in HC 967 of Session 2015-16,

(2) further resources, not exceeding £360,850,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £4,305,530,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.

The House divided: Ayes 262, Noes 127.

Division No. 30] [10 pm

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Amess, Sir David
Andrew, Stuart
Ansell, Caroline
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Barwell, Gavin
Bebb, Guto
Bellingham, Sir Henry
Benyon, Richard
Berestford, Sir Paul
Berry, Jake
Berry, James
Bingham, Andrew
Blackman, Bob
Blackwood, Nicola
Boles, Nick
Bone, Mr Peter
Bowrick, Victoria
Bottomley, Sir Peter
Bradley, Karen
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brooks, Sir James
Buckland, Robert
Burns, Conor
Burrows, Mr David
Burt, r h Alistair

Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Fernandes, Suella
Field, r h Mark
Foster, Kevin
Fox, r h Dr Liam
Frazer, Lucy
Freeman, George
Fuller, Richard
Fysh, Marcus
Gale, Sir Roger
Garnier, Mark
Gauke, Mr David
Ghani, Nusrat
Gibb, Mr Nick
Glen, John
Goodwill, Mr Robert
Gove, r h Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, r h Chris
Green, Chris
Green, r h Damian
Grenning, r h Justine
Grieve, Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gymah, Mr Sam
Hallon, r h Robert
Hall, Luke
Hancock, r h Matthew
Hand, r h Greg
Harper, r h Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, r h Sir Alan
Hayes, r h Mr John
Heald, Sir Oliver
Heappey, James
Heaton-Harris, Chris
Henderson, Gordon
Herbert, r h Nick
Hinds, Damian
Hoare, Simon
Hollinrake, Kevin
Hollobone, Mr Philip
Hopkins, Kris
Howell, John
Howlett, Ben
Hudson, Sir Michael
Hunt, r h Mr Jeremy
Hurd, Mr Nick
Javid, r h Sajid
Jayawardena, Mr Ranil
Jenkins, Andrea
Jenrick, Robert
Jones, Andrew
Jones, r h Mr David
Kirby, Simon
Knight, r h Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lancaster, Mark
Leadsom, Andrea
Lee, Dr Phillip
Letwin, r h Mr Oliver
Lewis, Brandon
Lewis, r h Dr Julian

Liddell-Grange, Mr Ian
Lidington, r h Mr David
Lilley, r h Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Mackinlay, Craig
Mak, r h Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
Maynard, Paul
McCartney, Jason
McCartney, Karl
McLoughlin, r h Mr Patrick
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Miller, r h Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, r h Anne
Mordaunt, Penny
Morgan, r h Nicky
Morris, James
Morton, Wendy
Mowat, David
Mulholland, Greg
Murray, Mrs Sheryll
Murray, Dr Andrew
Neill, Robert
Newton, Sarah
Nuttall, Mr David
Offord, Dr Matthew
Opperman, Guy
Parish, Neil
Paton, Mr Owen
Pawsey, Mark
Penning, r h Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Philp, Chris
Pincher, Christopher
Poultier, Dr Daniel
Pow, Rebecca
Prentis, Victoria
Priak, Mr Mark
Pritchard, Mark
Pursgrove, Tom
Quin, Jeremy
Quince, Will
Raab, Mr Dominic
Redwood, r h John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Mary
Rudd, r h Amber
Sandbach, Antoinette
Scully, Paul
Selous, Andrew
Shelbrooke, Alec
Skidmore, Chris
Smith, Chloe
Smith, Henry
Smith, Julian
Smith, Royston
Solloway, Amanda
Soubry, r h Anna
Resolved.

That, for the year ending with 31 March 2017:

(1) further resources, not exceeding £254,040,155,000 be authorised for use for current purposes as set out in HC 935, HC 957, HC 966, HC 967, HC 970, HC 976 and HC 999 of Session 2015-16;

(2) further resources, not exceeding £35,960,157,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £2,726,306,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.

Resolved.

That for the year ending with 31 March 2017:

(1) the resources authorised for use for current purposes be reduced by £2,605,722,000 as set out in HC 967 of Session 2015-16,

(2) further resources, not exceeding £1,197,631,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £2,726,306,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.

Resolved.

That, for the year ending with 31 March 2017:

(1) further resources, not exceeding £254,040,155,000 be authorised for use for current purposes as set out in HC 935, HC 957, HC 966, HC 967, HC 970, HC 976 and HC 999 of Session 2015-16,

(2) further resources, not exceeding £35,960,157,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £252,375,524,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.

Ordered. That a Bill be brought in upon the foregoing Resolutions:

That the Chairman of Ways and Means, Mr Chancellor of the Exchequer, Greg Hands, Mr David Gauke, Harriett Baldwin and Damian Hinds bring in the Bill.

SUPPLY AND APPROPRIATION (MAIN ESTIMATES) BILL

Presentation and First Reading

Mr David Gauke accordingly presented a Bill to authorise the use of resources for the year ending with 31 March 2017; to authorise both the issue of sums out of the Consolidated Fund and the application of income for that year; and to appropriate the supply authorised for that year by this Act and by the Supply and Appropriation (Anticipation and Adjustments) Act 2016.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 26).
Business without Debate

ENVIRONMENTAL AUDIT

Ordered,

That Kerry McCarthy be a member of the Environmental Audit Committee.—(Bill Wiggin, on behalf of the Committee of Selection.)

Royal Regiment of Artillery/Corps of Royal Engineers

Motion made, and Question proposed. That this House do now adjourn.—(Charlie Elphicke.)

10.14 pm

James Cleverly (Braintree) (Con): This year marks the tercentenary of the formation of my regiment, the Royal Regiment of Artillery, as well as the 90th birthday of our Captain General, Her Majesty the Queen. It also marks the tercentenary of the formation of the Corps of Royal Engineers, with which we Gunners have had a long sibling rivalry. We share much with the Royal Engineers: our mottos, our patron saint, even the red and blue of our rugby kits and regimental ties. I am pleased to say that a Gunner and a Sapper will share tonight’s Adjournment debate. As my hon. Friend the Minister is no doubt more knowledgeable than I am about the history of his corps, I hope that you will forgive me, Madam Deputy Speaker, if I focus on my own regiment, and give him an opportunity to fill in any details about the history of the Royal Engineers that I might miss.

The use of artillery pre-dates Roman times, when slings, catapults, ballistas and trebuchets were used to project missiles in times of war. Records indicate that Edward III may have used cannon against the Scots in 1327, but there is no doubt that he used five primitive guns against the French at the Battle of Crécy in 1346. Taking pot shots at the Scots and the French: what a way to start a career! In those days, the guns were fired from fortified gun pits dug by the Sappers and miners who were the forefathers of modern military engineers. I bet those early Gunners and Sappers slated each other back then just as vigorously as their modern counterparts do today.

It was on 26 May 1716 that the first two permanent companies of Royal Artillery were formed by royal warrant in the reign of George I. Those two companies numbered 100 men each, and were headquartered in Tower Place, which later became the Royal Arsenal in Woolwich. The King’s Troop Royal Horse Artillery is still quartered there, maintaining a 300-year unbroken connection with that part of south-east London. The Royal Artillery’s numbers rose to four companies in 1722, when it merged with two independent artillery companies based in Menorca and Gibraltar, once again establishing a long relationship with those islands. The new unit, formed in 1722, was renamed the Royal Regiment of Artillery.

A military academy was established in Woolwich in 1720 to provide training for Artillery and Engineer officers. Initially it was a gathering of “gentlemen cadets”, learning “gunnery, fortification, mathematics and a little French”.

It produced “good officers of Artillery and perfect Engineers”.

Perfect Engineers? Well, they may think that they are perfect, but I am yet to be convinced. [Interruption.] My hon. Friend the Minister indicates that he is indeed a perfect example of a perfect Engineer.

The Royal Horse Artillery was formed in 1793, and officers of other branches of Artillery have had to keep an eye out for their sisters and girlfriends ever since.
Artillery technology advanced throughout the 18th and 19th centuries, improving accuracy, range, mobility, reliability and lethality. That tradition of innovation is still alive and well today with the Gunners being at the cutting edge of surveillance, drone technology, communication technology and precision munitions. It was during the Napoleonic wars that British gunnery came into its own, and many gunner officers of that era are still famous in the regiment today and include the well-known names of Ramsay, Bull, Lawson, Mercer, and of course Napoleon himself. Napoleon had the great advantage in life of being a gunner but the great disadvantage of ultimately losing the Napoleonic wars—and of being French.

It was an incident in the oft-forgotten conflict between Great Britain and America in 1814, a few years before our centenary, that led to millions of Americans singing about my regiment every day. It is interesting that on 4 July—American independence day—we are reminded of that event. In the first verse of their national anthem “The Star-Spangled Banner” are the following lines, and if you will forgive me, I think it is only fair that I give them my best rendition:

“And the rocket’s red glare, the bombs bursting in air,
Gave proof through the night that our flag was still there”.

Now, I have been told that in order to sing in the Chamber one requires a music and entertainment licence, but as that was neither musical nor entertaining I think I got away with it. The rockets that provided the “red glare” immortalised in the American national anthem were the Congreve rockets fired by the Rocket Troop of the Royal Horse Artillery, and I think that is pretty cool.

Until 1855, the Royal Artillery was commanded through the Board of Ordnance rather than via the War Office, which meant that the Gunners had a completely separate chain of command from the gun line itself right up to the monarch of the time, who was the Captain General. This separate chain of command led to the Gunners getting a reputation for being rather independent minded, which led to the following quote, attributed to Wellington:

“I despair of my army. I truly do. The infantry do not understand my orders, the cavalry do not obey my orders, and the artillery make up their own orders.”

Unfortunately, the bicentenary of the Gunners and the Sappers was not celebrated properly because it fell in the middle of the first world war. That conflict saw a huge increase in Royal Artillery numbers, and it is estimated that 800,000 men served as Gunners and 48,499 of those Gunners gave their lives in the conflict. The Great War was often known as the Gunners’ war.

Jim Shannon (Strangford) (DUP): I declare an interest as I served in the Royal Artillery for some eleven and a half years. It is good that we are having this debate tonight. In this decade of centenaries when we particularly remember the first world war—we remembered the Somme just last week—we remember the courage and bravery of the men who gave their lives. Does the hon. Gentleman agree that this debate enables the House to recognise the array of roles carried out by the armed forces, by the Royal Artillery, the Royal Engineers and by many others?

James Cleverly: I thank the hon. Gentleman for his intervention, and he is right in what he says. It would have been remiss had I not also mentioned that the Irish Artillery had a significant part to play. Even after the Act of Union, when the Irish Artillery and the Royal Artillery became one unit, Irish soldiers serving in the artillery and in cap badges right across the Army had a huge role to play in our success.

Following on from the hon. Gentleman’s reference to the Battle of the Somme, it is worth remembering that in the famous week-long barrage that preceded that battle the Gunners fired in excess of 1.7 million shells.

The second world war saw another great expansion in the Royal Artillery, with more than 1.2 million people serving as Gunners. More people served in the Royal Artillery than in the entire Royal Navy. Since its formation in May 1716, more than 2.5 million men and women have served as Gunners. Some Gunners are famous for being great military leaders, such as Field Marshal Viscount Alanbrooke, who was Chief of the Imperial General Staff and Winston Churchill’s wartime military leader, but many more are famous for other reasons. The great post-war comedians Frankie Howerd, Spike Milligan and Harry Secombe were all Gunners. Perhaps it is because Gunner officers have to be good at maths that five Chancellors of the Exchequer have been Gunner officers: Anthony Barber; Hugh Dalton; Derick Heathcoat-Amory; Roy Jenkins; and Selwyn Lloyd. My regiment also produced four members of Her Majesty’s Government: Keith Joseph, and, of course, Prime Minister Edward Heath. The Gunners currently give this House five hon. Members: my hon. Friends the Members for Plymouth, Moor View (Johnny Mercer), for North Wiltshire (Mr Gray) and for Hilton and Bradley Stoke (Jack Lopresti), the hon. Member for Strangford (Jim Shannon) and myself. The Gunners have also produced eight Olympic gold medallists, including Captain Heather Stanning, who won rowing gold in the 2012 games.

To celebrate our tercentenary, the Gunners sent our Captain General’s baton from Woolwich to Larkhill, the long way round. This year-long relay, undertaken by every Gunner unit, went via battlefields across the globe where Gunners have fought and died. The baton, commissioned especially for this anniversary, is in the shape of a Napoleonic gun barrel but made of titanium, thus representing both tradition and modernity. The trip culminated with a parade, a march-past and the firing of a feu de joie before our Captain General in Larkhill. I was delighted that the Under-Secretary of State for Defence, my hon. Friend the Member for Milton Keynes North (Mark Lancaster), attended the parade, completing the historic circle and representing centuries of Gunners and Sappers working side by side.

In conclusion, let me make the point that the Gunners do not have flags or guidons like the infantry or cavalry. The guns of the Royal Artillery are the regiment’s colours. They are the tools of our trade, the badge we wear and our rallying point in battle. Our guns are hugely important to us but, ultimately, just like the Royal Engineers, our most valuable asset is our people. Gunners throughout history and of all ranks have a bond. We may be the size of a corps, but we maintain the intimacy and camaraderie of a regiment. I am honoured to have served with such wonderful people in such a glorious regiment, and I wish it well for the next 300 years.
on securing this debate, which has allowed this House to show its gratitude for the significant contribution that the Royal Regiment of Artillery and the Corps of Royal Engineers have made to the defence of this country over the past 300 years. I welcome the opportunity to express the Government’s appreciation for their gallant service. It is appropriate for me to respond to my hon. Friend, as we both continue to serve in the reserves, he being a Gunner and I a Sapper. I should say that I am only a Sapper because my father was a Gunner—we thought that perhaps I should upgrade.

We have heard of the exploits of the Gunners and Sappers, and I wish to recap on our history. On 26 May 2016, the Royal Regiment of Artillery and the Corps of Royal Engineers celebrated our 300th birthdays. Whereas they had previously been on the same establishment, a royal warrant of 26 May 1716 separated the artillery and the engineers. From that point, the Royal Artillery and Corps of Engineers came into being, but in recognition of our common heritage we share the motto, Ubique, which means “everywhere”. It may mean slightly different things for each regiment, but we share the motto. Let me address each in turn.

Many things define the Royal Artillery’s achievements. In original thought, it was the first regiment to educate its officers and to undertake formal military exercises. In science, a Royal Artillery officer named Shrapnel invented a shell which still bears his name, and General Congreve’s pioneering rocket designs from the 18th century were still recognisable in equipment recently used in Afghanistan. In scale, Woolwich, the home of the regiment from 1716 to 2008, was the first military-industrial complex in the world, and in the second world war, more than a million men and women wore the Royal Artillery badge and saw action on land, sea and air in every theatre.

In non-military pursuits, Gunners have been prominent in music, the film world, mountaineering, ocean sailing, past and current Olympiads and political leadership, as we have heard, though that is probably equally shared by the Sappers. In the outright distinction of the Gunners, the nation’s debt to Field Marshal Lord Alanbrooke is perhaps the greatest example. Along the way there has been much gallantry, heroism, sacrifice and service to the nation and mankind. Sixty-two Gunners have won the Victoria Cross, and since 1945 many Gunners have been decorated for gallantry, including Sergeant Bryan, Gunner Gadsby and Lance Bombardier Prout, who were awarded Conspicuous Gallantry Crosses in recent operations in Iraq and Afghanistan.

During the past year, as we have heard, the Gunners carried out a number of commemorative events, centred around a global relay. A unique baton was made, designed to replicate the barrel of a gun dating from 1716. The baton contained a message of loyal greetings to the Queen, their Captain General, written on a vellum scroll—as it happens, manufactured in my own constituency, in Newport Pagnell—and placed inside the barrel of the replicated gun. In keeping with the regiment’s motto, the baton has, as we have heard, travelled around the world during the past 12 months, starting from Woolwich. It has visited 26 countries, including members of the Commonwealth and our principal allies.

At a review of the regiment by Her Majesty on 26 May at Larkhill in Wiltshire, the home of the Royal Artillery, the baton was carried across Salisbury Plain by two mounted soldiers of the King’s Troop Royal Horse Artillery, before being presented to the Captain General. The royal review was the culmination of the Royal Artillery tercentenary celebrations and was watched by some 5,000 guests, drawn from the serving regiment and including veterans and families. It began with a 21-gun salute fired by the King’s Troop Royal Horse Artillery. On parade were 40 Royal Artillery weapon systems and armoured vehicles, together with 240 soldiers and the massed bands of the Royal Artillery. After the parade, many Gunners and their families were introduced to Her Majesty. Later the same day, she unveiled the foundation stone of the tercentenary chapel and cloister at the royal garrison church in Larkhill.

The many members of the Royal Artillery celebrating the tercentenary did so in the knowledge that, although they are shaped by their past, they are defined by what they do today and are ready for what is to come in 2016 and beyond. From the highly sophisticated and integrated means of finding adversaries and protecting our own forces to striking hard, with precision and at range, the regiment’s capability comprises a wide variety of weapon systems. The unique ability of the Royal Artillery to integrate and co-ordinate battle-winning effects and activity across all arms and covering the full spectrum of conflict will continue to be needed in the future as military operations grow in complexity.

Ian Mearns (Gateshead) (Lab): I am not a military person myself, but I have the honour of being an associate member of the Institution of Royal Engineers. I was awarded that honour for the work that I did with the 72 Regiment, which was headquartered in my constituency. I also am a member of the institute of the Royal Northumberland Fusiliers, with whom I visited the Somme last weekend.

Mark Lancaster: I am delighted to hear that, and I am grateful to the hon. Gentleman for his continuing support of the Corps of Royal Engineers and our armed forces.

That, Madam Deputy Speaker, was a brief summary of the Royal Regiment of Artillery. If you think that was good, it is about to get even better.

The Royal Engineers have had no less of an impact on the Army during their 300 years. From the middle of the 19th century, the Royal Engineers were involved in virtually every scientific development and technical function of the Army, and they were typically in the lead. From the time of the Crimean war, their name has forever been associated with the cry “Follow the Sapper”, reflecting their guiding roles on the battlefield and in technical innovation.

From mapping to construction, transport to communications and diving to flying, the Royal Engineers were at the forefront of nurturing new ideas and capabilities. That included a variety of famous civil endeavours. Lieutenant-Colonel John By played a major role in the early development of Canada, including in the building of the Rideau canal—now a world heritage site—in the 1820s. The Royal Albert hall was designed by two Royal Engineers, Major-General Henry Scott and Captain Francis Fowke. Major-General Edmund Du Cane and
Colonel Sir Joshua Jebb directed many of the prison reforms during the Victorian era. Others continued the work of their forebears in the Ordnance Survey by conducting mapping operations across the British empire, and many made names for themselves as colonial governors in the West Indies and Australia.

The roles of the Royal Engineers were many and varied, and they had a critical involvement in scientific change. Over time, some of those roles were relinquished. In 1912, the Air Battalion became the Military Wing of the Royal Flying Corps, and subsequently the Royal Air Force. In 1914, responsibility for mechanical transport was transferred to the newly formed Royal Army Service Corps. In 1920, the Royal Corps of Signals was formed out of the Royal Engineers Signals Service.

It was said that Queen Victoria wept when she heard that Major-General Charles Gordon, a national hero, was killed at Khartoum. One of the Sappers’ other famous forebears was Field Marshal Lord Kitchener, who went on to become the Secretary of State for War in August 1914. This year marks the 100th anniversary of the field marshal’s untimely death at sea.

A total of 32 Victoria Crosses and 14 George Crosses have been awarded to members of the corps for conspicuous bravery not only on the battlefield but in areas away from the direct line of enemy fire. Many of the latter were awarded for explosive ordnance disposal, or bomb disposal, and are in recognition—sadly, too often posthumously—of actions that saved not only countless lives but property, both small and great, including St Paul’s cathedral, which was rescued from an unexploded bomb by a team of ten Sappers commanded by Lieutenant Robert Davies in September 1940. As a Royal Engineer bomb disposal officer, I am fiercely proud to wear my bomb disposal regimental tie this evening, in memory of those who sacrificed their lives.

Celebrations of the tercentenary are being conducted right across the regular and reserve units of the Royal Engineers and the 106 branches of the Royal Engineers Association. These events have included a series of open days across all regiments of the corps and a musical extravaganza in Rochester castle in July. The events will culminate with the corps memorial weekend in September, followed by a visit from Her Majesty, the Colonel-in-Chief, in October.

The Corps of Royal Engineers has an equally proud history, which has seen Sappers take a prominent role in every major campaign and action fought by the British Army over the last 300 years, whether they were building barracks or bridges, constructing fortifications or field works, or delivering power or water—in other words, enabling the Army to live, move and fight.

That set of essential tasks continues to this day. It sees the corps at the forefront of operational deployments, enabling and supporting all elements of the UK armed forces. In addition to counter-improvised explosive device training in Iraq, and training members of the Afghan national army in Kabul, these deployments include a significant construction project in the Falkland Islands. There is also the provision of assistance to Nepal after the earthquake last year, where the corps is assisting with reconstruction in remote areas in support of the Gurkha Welfare Trust.

In both cases, three centuries have forged strong regiments and determined their character. “Once a Sapper, always a Sapper” and “Once a Gunner, always a Gunner” are the proud and justified boasts of the Royal Engineers and the Royal Artillery. Today, our units are well supported by strong central regimental headquarters, comprising a positive mix of military, civil service and charity staff.

Our common enterprising, can-do character and willingness of spirit will continue to define both corps everywhere they may serve. That professional heritage encompasses a preparedness to embrace technology, a determination to apply it intelligently on the battlefield and an essential competence in all they do.

I thank my hon. Friend for raising this matter. I am delighted to have had the opportunity to express the Government’s appreciation for the service of the Royal Regiment of Artillery and the Corps of Royal Engineers in the year of our tercentenary. As you gather, Madam Deputy Speaker, there has been both a fierce rivalry and a common bond between the two regiments for over 300 years. None the less, this evening and in the spirit of the occasion, I am delighted that, as a Sapper, I have the final word.

*Question put and agreed to.*

10.40 pm

*House adjourned.*

The Parliamentary Under-Secretary of State for Health (Jane Ellison): The O’Neill AMR review is galvanising extensive AMR research programme. Matoke Holdings some decades now. The Government are funding an that there has not been a new class of antibiotics for development of new antimicrobials. It is scary to think that the focus of the O’Neill review was how to incentivise the development of new antimicrobials. It is scary to think that there would also be happy to have such a meeting.

Maggie Throup: I recently hosted a parliamentary drop-in session to highlight the benefits of C-reactive protein testing as a way of reducing the number of antibiotics inappropriately prescribed in primary care. Will the Minister agree to look again at the case for rolling out CRP testing as standard across primary care as part of the Government’s strategy to tackle antimicrobial resistance?

Jane Ellison: My hon. Friend is right to champion these new technologies. In fact, the Department has already invested in research into CRP. We look forward to seeing what that brings and, in due course, to seeing how it might move forward. It is very much already on our radar.

Andrew Gwynne (Denton and Reddish) (Lab): There is an impending public health issue in this regard, not least with strains of gonorrhoea, for example, that are starting to show resistance to antibiotics. A number of doctors are incredibly concerned about this. What more can be done to incentivise research and development to ensure that this public health concern does not become a public health crisis?

Jane Ellison: The hon. Gentleman, who knows a great deal about these matters, is right. Incentivising discovery is absolutely at the heart of the O’Neill review. O’Neill has made a series of recommendations about unblocking the drugs pipeline, and we will respond to that in full. It is a critical issue. In the meantime, conservation of the antibiotics we have and sensible prescribing is critical to making sure that, as the hon. Gentleman says, drug-resistant strains of gonorrhoea, for example, do not take hold.

Chris Leslie (Nottingham East) (Lab/Co-op): This is an incredibly important issue on which I urge the Minister to communicate with the public more effectively, because inappropriate use of antibiotics could have severe effects. Some of the medical interventions that are reliant on antibiotics, whether gut surgery, joint replacements, caesarean sections or chemotherapies, could become too dangerous to perform if we do not get this right.

Jane Ellison: That is exactly right. Things we take for granted now could become risky procedures again. Globally, old diseases could make a comeback because of drug resistance—diseases such as TB which, around the world, people are winning the battle against. This is why it is so important to pay tribute to the Prime Minister’s foresight in commissioning the independent review and taking this issue global. The Government, along with the chief medical officer, are championing this at an international level, but, at the same time, we are not resting closer to home, where we are working with GPs and so on to deal with the prescribing issue. However, it is a big challenge and the hon. Gentleman is right to highlight it.
David Tredinnick (Bosworth) (Con): Is my hon. Friend aware that there is strong evidence that herbal medicine can help treat conditions currently treated by antibiotics, but there is a desperate need for more research? Is she also aware that homeopathic medicine can do the same, particularly with upper respiratory tract infections, and that homeopathic treatments are now the second largest medical system in the world, according to the World Health Organisation?

Jane Ellison: The Government are always interested in anything that can be proven to be cost-effective and efficacious.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): Millions of people around the world are dying annually from resistant infections. In the light of that and the positive correlation between antibiotic resistance rates and antibiotic consumption, urgent action needs to be taken. What steps and cross-departmental work is the Minister taking to address the findings of the Review on Antimicrobial Resistance and to reduce the unnecessary use of antimicrobials in agriculture?

Jane Ellison: There is consensus on the importance of this issue. It is worth highlighting the work that the Government are doing internationally, through the creation of the Fleming fund, in which we are investing £265 million, to help poorer countries to tackle drug resistance and to make sure that we have proper monitoring systems in place. Without a baseline to understand where we are even starting from, it is very difficult. We will respond more fully to all the issues highlighted by the hon. Lady when we respond formally to the O'Neill review, but it goes without saying that we are trying to take this work forward internationally and we are working towards further meetings at the United Nations this autumn.

Target Antibiotics Toolkit

2. Chris Green (Bolton West) (Con): What assessment his Department has made of the uptake of the Target antibiotics toolkit among NHS commissioners and GPs.

The Parliamentary Under-Secretary of State for Health (Jane Ellison): Continuing with the same important theme, it is excellent to see Parliament taking such a close interest in antibiotic resistance. In England, 60% of clinical commissioning groups reported reviewing the Target toolkit, which has been designed to help GPs in particular, in a primary care survey in November 2014. A patient safety alert went to providers and commissioners in 2015, highlighting the importance of programmes such as Target. The House might be interested to know that the Target programme gives GPs help in understanding how to deal with the pressure from patients, because a lot of inappropriate antibiotic prescribing comes from the pressure from patients to walk away with an antibiotic script. Work is being done, but we know that we have more to do.

Chris Green: I thank the Minister for her reply. Disappointingly, the most recent data show Bolton to be one of the highest prescribers of antimicrobial agents in Greater Manchester, and it is in the highest quartile nationally. Although Bolton CCG has seen reductions in antibiotic prescribing following guidance given to GPs, when will the Target antibiotics toolkit be fully implemented across all CCGs in England?

Jane Ellison: Public Health England is doing a huge amount of work on this. There has been a very welcome drop in prescribing in the last year and that appears in the data available for this year. That gives us encouragement. Of course, 79% of antibiotic prescribing occurs outside hospital, so my hon. Friend is right to highlight general practices. I draw his attention to Public Health England’s Fingertips portal, which allows both providers and commissioners to assess how they are doing compared with other areas locally. That is allowing us to see where we have particular problems. It varies around the country and Public Health England is leading the action being taken in that regard.

Chris Evans (Islwyn) (Lab/Co-op): The growth of antibiotic resistance is a massive problem worldwide, as the Minister knows. No new antibiotics have been classified for more than 25 years. This is a real problem, as antibiotic resistance increases. What are the Government doing to address the issue?

Jane Ellison: As I have said, it was our Prime Minister who commissioned the independent O’Neill review, showing astonishing foresight, and that review is now galvanising the discussion. I was at the World Health Assembly in Geneva in May, and the review was the talk of Geneva. Lord O’Neill presented it to many delegations from around the world and we now need to move forward. As well as working on human health, we are also looking to work with animal health organisations, as we take forward the very important recommendations on prescribing and the use of antibiotics as growth stimulators.

NHS Services for EU Nationals and UK Citizens Abroad

3. Martyn Day (Linlithgow and East Falkirk) (SNP): If he will make an assessment of the potential effect of the UK leaving the EU on the availability of NHS services for (a) EU nationals living, studying and working in the UK and (b) UK citizens abroad.

The Secretary of State for Health (Mr Jeremy Hunt): Before I start, the House will want to mark an important milestone, which is that this year, alongside Arnold Schwarzenegger, Brian May, Camilla Parker Bowles and Meat Loaf, the NHS is 68 years old, and its birthday is, in fact, today. I know that we will all want to wish the NHS and all who work there a very happy birthday.

As long as the UK is subject to EU law, current arrangements remain in place. As we move to a new relationship with Europe, our guiding principle will be to get the best possible deal for British citizens who live and work in, and who visit, EU countries. An EU unit will be set up in the Cabinet Office and will report to the Cabinet, and my Department will feed into its work.

Martyn Day: I am aware that nothing will change for the next two years, but what is the Secretary of State’s proposal for reciprocity of access to healthcare within
the EU, and does he envisage the £500 NHS immigration health surcharge applying to EU nationals already living in the UK?

Mr Hunt: The health surcharge that this Government have instituted for people on long-term visas to come and work and live in the UK is the right thing to do, because it is important that everyone makes a fair contribution to the cost of NHS services. In terms of future arrangements for EU nationals in the UK, that would obviously be subject to the negotiations that now happen, and a very important part of those negotiations will be access to the EU health systems for British citizens currently living in EU countries.

Mr Philip Hollobone (Kettering) (Con): Will the Secretary of State tell the House how many EU nationals work in the national health service and how many EU nationals use the national health service? Is it not the case that the number of eastern Europeans, especially, coming to this country has simply overwhelmed GP practices and A&E centres up and down the country, and now we have got a chance to redress the balance?

Mr Hunt: Without wanting to reopen the debate that concluded on 23 June, the overwhelming view in the NHS is that we are very lucky to have the incredible support of 110,000 EU nationals working in the health and social care system. I want to put on record to this House what a fantastic job they do and how much we are all in their debt.

Norman Lamb (North Norfolk) (LD): Very many of those 110,000 people are now acutely anxious about their future in this country, because of the desperate suggestion that they should be used as a bargaining pawn in negotiations with the EU. Will the Secretary of State ensure that the Government, as a matter of urgency, guarantee their future in this country doing their dedicated work in our NHS and care system?

Mr Hunt: I can reassure the right hon. Gentleman. Gentleman that we are incredibly aware of the brilliant work that EU nationals do, not just in the NHS but in the social care system, which he was responsible for, in care homes up and down the country. We recognise that, and I hope that he will be reassured by statements made by the Foreign Secretary and the Home Secretary yesterday that we want to find a way of allowing those people to stay in the UK for as long as they wish to. We recognise the incredibly valuable contribution that they make, and we are confident in the negotiations ahead that we will be able to secure the outcome that they and we all want.

Heidi Alexander (Lewisham East) (Lab): The last time the Secretary of State and I had an exchange in this Chamber, I suggested to him that it might be the final time we would face each other over the Dispatch Box. Although I was clearly prescient, it has not quite turned out the way I thought it would.

Following the results of the referendum, will the Secretary of State say whether he still intends to introduce an NHS charges Bill as outlined in the Queen's Speech? Does he agree that migrants give more to the NHS than they take, that their contribution should be welcomed and that our NHS simply could not survive without them?

Mr Hunt: I enjoyed our many exchanges in this House, and it is a loss on our side as well that they will not continue. I would like to welcome the hon. Lady's successor to her post, and I hope that I will have a chance to do so again when she asks a question later.

I agree with the hon. Member for Lewisham East (Heidi Alexander). Migrants, or the people who work in the NHS who come from different countries, make an extraordinary contribution. It is fair to say that the NHS would fall over without the incredible work that they do. It is also true that the British people voted to control migration on 23 June, and we have to accept that verdict. In terms of the NHS and social care system, I did not hear, and I have not heard in my time as Health Secretary, enormous amounts of worry about the pressure of migration on NHS services, because on the whole migrants tend to be younger and fitter people. While accepting the verdict of the British people and what they said on 23 June, the important reassurance that we now need to give is to the many people from outside the UK who make a fantastic contribution to the running of our health and care system.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): The Secretary of State may be aware that in the wake of the Brexit vote NHS commissioning bosses have delayed funding for vital medications and services because of the fall in the value of the pound. One affected patient is Abi Longfellow, the teenager who won her battle for a wonder drug thanks to a campaign by the Sunday People. Abi currently spends 11 hours a day on a dialysis machine and was due to start on a drug that would give her a fighting chance with a kidney transplant. We were all aware that the pound might fall post referendum, so will the Secretary of State explain why no contingency plans were put in place and what he will do to ensure that, despite the Brexit vote, patients like Abi receive the lifesaving treatments and medicines that they need?

Mr Hunt: First, I welcome the hon. Lady to her position. She is the third shadow Health Secretary I have faced in less than a year, and I am beginning to worry that it may be something personal. I wish her well; she knows the brief extremely well and has campaigned on it a great deal in her long parliamentary career. I will look into the case she brought up. I would not want anyone to be deprived of vital lifesaving drugs because of exchange rate fluctuations. The whole British economy, including the NHS, will have to deal with the economic shock that we may now face as a result of the Brexit vote. But now that the decision has been taken by the British people we must look for the opportunities for the UK and the NHS, and not simply worry about the uncertainties, although there will be lots of things we have to deal with.

General Practice and Primary Care

4. John Howell (Henley) (Con): What plans his Department has to increase capacity in general practice and primary care.
6. Michael Tomlinson (Mid Dorset and North Poole) (Con): What plans his Department has to increase capacity in general practice and primary care. [905658]

10. David Warburton (Somerton and Frome) (Con): What plans his Department has to increase capacity in general practice and primary care. [905662]

The Secretary of State for Health (Mr Jeremy Hunt): We will be investing an extra £2.4 billion a year in general practice by 2020-21, a 14% increase in real terms. The General Practice Forward View, published earlier this year, sets out a package of support for general practice to boost the workforce, drive efficiencies in workload and modernise primary care infrastructure and technology.

John Howell: General practitioners in Henley have recently written a letter to all their patients pointing out the difficulties they face in fulfilling their workload. Will the Secretary of State explain what the Government are doing about that and how what they are doing will help?

Mr Hunt: I am happy to do so. I recognise the picture that my hon. Friend paints—not just in Henley but across the country—of a huge increase in GPs’ workload, which they are finding extremely challenging. What have we done? We have almost 1,300 more GPs working and training in the NHS compared with 2010. We have said that by the end of this Parliament we will seek to make available an additional 10,000 primary and community care staff, including 5,000 doctors working in general practice and 1,000 physician associates. We recognise the problem and are doing something about it.

Michael Tomlinson: Given proposals for significant increases in housing across Dorset, my constituents are rightly concerned about access to services, including to GPs. Will the Secretary of State reassure me and my constituents that housing numbers will be taken into account when assessing provision and increasing capacity of general practice in Poole and Dorset?

Mr Hunt: I am happy to give my hon. Friend that assurance. NHS England looks at areas of new housing very carefully when deciding where to invest additional resources for new GP practices. I recognise those concerns. I was in Dorset at the weekend. It is a lovely place that many people retire to, and of course older people tend to use the NHS more, so it is very important that that is reflected in our investment patterns.

David Warburton: Having met GPs, health centre managers and patient groups in Frome, Wincanton and Somerton in my constituency, I know that GP recruitment is a serious problem in Somerset. What measures is the Department putting in place to address both that issue and the additional challenge of excessive agency costs, both of which are placing a considerable strain on rural health providers?

Mr Hunt: I am happy to do that—I visited a GP practice with my hon. Friend in the run-up to the last election, and I know the close interest that he takes in this issue. As I said, we are making huge efforts to recruit more GPs during this Parliament, and to do that we must increase the number of medical school graduates to 3,250 a year. We are making progress in that direction, and we have also introduced tough new rules on the use of agencies, including maximum hourly rates for agency doctors and nurses.

Mr Dennis Skinner (Bolsover) (Lab): Will the Secretary of State do something about the Hardwick commissioning group in north Derbyshire? I met it a week last Friday to talk about dementia care, which he knows is due to change a little, according to the local authorities and so on. Will he tell the group that the mad idea to close Bolsover hospital, and the hospital in Bakewell in Derbyshire Dales, should be stopped? Will he tell Hardwick commissioning group that it has gone beyond its terms of reference, and that those hospitals should remain open?

Mr Hunt: I recognise the important role that community hospitals play in many of our constituencies, and that role will change as we get better at looking after people at home, which is what people want. We can all be proud of significant progress on dementia in recent years. Dementia diagnosis rates have risen by about 50%—indeed, we think we have the highest diagnosis rates in the world. However, it is not just about diagnosis; it is about what happens when someone receives that diagnosis, and the priority of this Parliament will be to ensure that we wrap around people the care that they need when they receive that diagnosis.

Barbara Keeley (Worsley and Eccles South) (Lab): The Health Secretary has just promised 5,000 new GPs, and GP Forward View mentions recruiting 500 GPs from overseas. I understand that Lincolnshire GP leaders are looking to recruit GPs from Spain, Poland and Romania. As we have heard, EU nationals who live in the UK and work in the NHS are seen by the Home Secretary as bargaining chips, which has made them incredibly nervous about their status. How successful does the Health Secretary think that that GP recruitment will be?

Mr Hunt: This is a time when all sides of the House should be seeking to reassure many people from other countries who do a fantastic job in our NHS that we believe they will have a great future here. The Home Secretary has prioritised doctors, paramedics and nurses in the shortage occupation lists, and in all countries that have points-based systems—look at what happens in Australia or Canada—the needs of the health service and health care system are usually given very high priority.

Keith Vaz (Leicester East) (Lab): Mr Speaker, let us note another milestone this year: your election yesterday as a freeman of the City of London. We look forward to you bringing your own flock of sheep to Westminster in future.

The Secretary of State will know that we are facing a diabetes crisis, and by 2025, 5 million people will have been diagnosed with diabetes. There are 32,000 pharmacies in the United Kingdom, with 13,000 community-based schemes. Given that 99% of the population live near a pharmacy, does the Secretary of State agree that more diabetes work should be given to pharmacies, to try to ease the burden and pressure on general practitioners?
Mr Hunt: There is a lot of potential in what the right hon. Gentleman says. The financial pressures on the NHS and general practice mean that this is the right moment to rethink the role of pharmacies, and consider whether we can be better at tapping into the incredible skills that pharmacists have as trained clinicians, which I do not think we make the most of. He is right to say that diabetes and childhood obesity is a big priority for the Government, and I hope we will be able to inform the House more about that soon.

Pharmacy Access Scheme

5. Imran Hussain (Bradford East) (Lab): How much funding he plans to make available for the proposed pharmacy access scheme.

The Secretary of State for Health (Mr Jeremy Hunt): Since 2010, we have invested £37 million in improving the physical environment of over 140 maternity units and purchasing equipment to improve safety. We now have 2,103 more midwives in the NHS and 6,400 more in training than in 2010.

Will Quince: Expectant parents in Colchester are among the first in the UK to have hypnobirthing courses—I recently attended one myself. What consideration has the Secretary of State given to the effectiveness of hypnobirthing in improving maternity safety?

Mr Hunt: A variety of pioneering techniques, which could make a huge difference to women’s experience of birth, are emerging. I am delighted that we are seeing lots of experimentation and innovation. I would particularly like to pay tribute to my hon. Friend’s trust, which is in special measures and has been through a very difficult period. The fact that it is still managing to do this kind of innovation is wholly to be commended.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Has the Secretary of State seen the Autism Commission report on barriers to healthcare for people with autism? In maternity care and all other care there are very severe barriers that, with the right will and the right action, we can overcome. Will he read the report and talk to me about it?

Mr Hunt: I am more than happy to do so. In fact, we have a copy of the report right here, which my Minister of State has handily given to me. When I was shadow Minister for disabled people, I had a lot of contact with parents of autistic children and with people on the autistic spectrum themselves. The hon. Gentleman makes a very important point.

Peter Heaton-Jones (North Devon) (Con): The maternity unit at North Devon district hospital in Barnstaple in my constituency is one of the services being reviewed under the current Success Regime. Can the Secretary of State reassure me and my constituents that maternity care, and the safety thereof in what is a geographically huge region, will be the first priority under this review?

Mr Hunt: I can absolutely assure my hon. Friend on that. I know there are very big national and global events happening right now, but I want to tell the House that over the next month one of my big priorities will be to do something to improve our record on maternity safety. We have made huge progress in reducing stillbirth rates and so on, but maternity safety is still not as good as it should be and certainly not as good as in other countries in western Europe. This is an absolute priority and I hope to be able to inform the House more on this before recess.

Mr Barry Sheerman: Has the Secretary of State considered the publication of the report on barriers to healthcare for people with autism?

Mr Hunt: I am happy to announce that we have published a report today on barriers to healthcare for people with autism. The report is available online at https://www.gov.uk/government/publications/barriers-to-healthcare-for-people-with-autism.

6. Alison Thewliss (Glasgow Central) (SNP): As the chair of the all-party group on infant feeding and inequalities, I welcome the new guidance issued by Public Health England, in conjunction with UNICEF Baby Friendly, on the commissioning of infant feeding services. I welcome in particular the recognition of raising infant feeding at the antenatal stage. Will the

Maternity Care

7. Will Quince (Colchester) (Con): What progress his Department has made on improving the safety of maternity care.

Mr Hunt: I can absolutely assure my hon. Friend that I know there are very big national and global events happening right now, but I want to tell the House that over the next month one of my big priorities will be to do something to improve our record on maternity safety. We have made huge progress in reducing stillbirth rates and so on, but maternity safety is still not as good as it should be and certainly not as good as in other countries in western Europe. This is an absolute priority and I hope to be able to inform the House more on this before recess.

Mr Barry Sheerman: Has the Secretary of State considered the publication of the report on barriers to healthcare for people with autism?
Secretary of State explain what resources the Department of Health is putting in to promote the guidance and increase breastfeeding at local levels?

Mr Hunt: We already commit huge resources to that, but we can do more. As I just said, we hope to announce something to the House before the break.

NHS Staff from Other European Countries

8. Fiona Mactaggart (Slough) (Lab): How many staff working in the NHS have been recruited from other European countries in the last 12 months; and if he will make a statement.

The Parliamentary Under-Secretary of State for Health

(Ben Gummer): There are no centrally held data on the countries from which NHS staff are recruited, but self-reported nationality data suggest that 15,723 non-UK European nationals joined the NHS in England and that 7,900 left, leaving a net increase of 7,800. As the Minister responsible for the NHS workforce, may I say that every single one of them is very welcome in, and provides an invaluable contribution to, our NHS?

Fiona Mactaggart: The problem is that the Immigration Minister’s waffle yesterday and Ministers’ warm words today are not giving confidence to these vital NHS employees. Has the Minister spoken to the Immigration Minister to request that he guarantee permanent residence to every EU national working in the NHS so that they can have the security that they—and we, their patients—need?

Ben Gummer: The Home Secretary is well aware of the enormous contribution that EU nationals make to the NHS. We all have a duty to undo the damage done during the referendum campaign and the poisonous atmosphere that exists in some parts of our communities and to thank personally—I will be doing so myself—EU nationals working in the NHS for their hard work and dedication so that they feel valued by each and every one of us.

Dr Philippa Whitford (Central Ayrshire) (SNP): There has been a 27% surge in trainee applications to NHS Scotland because of the conflict around the junior doctors contract in England, and now doctors and academics from the EU are not taking up posts here because of the Brexit vote. With a one-in-four rota gap in many specialties, how does the Minister plan to sustain the current service, let alone extend it?

Ben Gummer: As much as I admire and like the hon. Lady, my opposite number on the Scottish National party Benches, I think that the behaviour of some of her colleagues in Scotland during the junior doctors dispute was not in the spirit of concord by which we try to establish relations with the devolved Administrations. I do not recognise the figures she quoted about junior doctors—I am glad that we have recruited well in this country during this difficult period—but I know that she will want to thank the British Medical Association for its work in bringing the dispute to an end. I hope that in the next few days we will come to a conclusion suitable for everyone.

Dr Whitford: I thank the Minister for that and for his welcome to EU nationals here, but with the Secretary of State merely repeating what the Immigration Minister said yesterday and given what the Home Secretary has said, does he not understand the urgent situation facing EU nationals working here? With more than 100,000 of them, do we not want to give them security of residency now to avoid haemorrhaging vital staff from the NHS?

Ben Gummer: The Home Secretary said she was confident we could get a deal ensuring that they could stay, but we need a new Prime Minister able to start the negotiations caused by the decision of the British people on 23 June. I say in my capacity as a Health Minister—the House has heard from other Members, including the Secretary of State—that we have full confidence in the EU nationals working in the NHS and wish to praise their contribution, which makes the NHS a better organisation.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): The head of the NHS, Simon Stevens, has strongly defended the role of immigrants in the NHS, saying that there has never been a time in its 68-year history when the NHS has not “relied on committed employees from around the world”. One of these employees was my own mother, who migrated from Jamaica to the UK in the 1950s to be a pupil nurse. Workers from the EU and other countries are the backbone not just of the NHS but of our social care system, which is facing many challenges. Does the Minister agree that we should be thanking these hard-working individuals for their service, not leaving them with questions about their status and job security?

Ben Gummer: I agree entirely with the hon. Lady that we should be thanking EU nationals working in the NHS and social care system. She herself is evidence of the enormous contribution of migrant labourers, not just in the first generation but in subsequent ones. We, as a nation and a House, should be grateful for it. This is a difficult time for many EU nationals in this country, and we should be thanking them not just for the numbers but for the special qualities they bring. In my constituency, the amazing Portuguese nurses in Ipswich hospital bring qualities and skills that some of our own nurses in our own country do not possess in our own hospitals.

Cost of Interpreters

9. David T. C. Davies (Monmouth) (Con): What the cost to the public purse was in 2015-16 of providing interpreters for people using the NHS who did not speak English.

The Parliamentary Under-Secretary of State for Life Sciences (George Freeman): Until now, data on NHS foreign language translation and interpretation have not been gathered centrally, but I am delighted to say that, as a result of the representations of my hon. Friend and other colleagues, we have changed that, and NHS England is now conducting a major piece of work looking at both commissioning and provider organisational expenditure as part of a procurement review. It is worth saying that in view of the importance of effective communication in good diagnosis, informed consent,
safeguarding and public health, it is in all our interests that all our patients understand what the doctors and clinicians are saying to them.

David T. C. Davies: I am grateful for that answer, but may I respectfully suggest to the Minister that if we are to have a serious discussion about the costs and the impacts of large-scale migration into the UK on the NHS, we must have access to figures on this cost and we should not have to wait months and months to get them? The figures must be out there somewhere.

George Freeman: My hon. Friend will find no more passionate champion of good data in the NHS than myself. He makes an important point about getting on with this, and I have already signalled to the team in NHS England that we will need to get a grip on this quickly, not least so that the new Administration implementing the Brexit decision will know the figures and have them to hand.

Philip Davies (Shipley) (Con): I made a recent freedom of information request to my local hospitals to find out the cost of interpreters. Airedale hospital reported that last year the cost was almost £200,000 and I suspect that, when I receive an answer, it will be even higher at Bradford royal infirmary. This money could be better spent on patient care. Surely it is better for these patients, if they want to contribute to the British way of life, to be able to speak English themselves. What is the Minister’s Department doing with other Government Departments to make sure that people who live in this country can speak English so that money for the NHS goes to the purposes for which it was intended?

George Freeman: Let me gently and respectfully point out that those who work in the NHS and the leaders responsible for it have made it very clear how dependent it is on people who come to work here in the NHS from overseas. Under the terms of our own mandate and indeed our own laws, the NHS has a duty to make sure that it provides proper diagnosis and treatment for all our citizens. For public health and safety, it is in nobody’s interests for citizens of the UK not to be able to integrate, deal with and get proper diagnosis from the system. My hon. Friend’s wider points about the speaking of English are well made, but they are not relevant to this particular question.

Local Dispensing Arrangements

11. Kelly Tolhurst (Rochester and Strood) (Con): What steps his Department plans to take to improve local dispensing arrangements.

The Minister for Community and Social Care (Alistair Burt): For improving local dispensing arrangements, patients need to receive their NHS prescribed medicines promptly, efficiently, conveniently and to high quality. NHS England is responsible for ensuring that there are adequate arrangements in place for the dispensing of medicines so that this happens across the country. We keep this under constant review.

Kelly Tolhurst: I have been contacted by a number of disabled constituents who have encountered difficulties receiving dispensed drugs from their local GPs because they fall outside geographical criteria as of last year, therefore adding a significant financial burden. Given instances where dispensing GPs have blocked the arrival of some local pharmacies in parts of my constituency, will the Minister give some consideration to how this discrepancy could be remedied?

Alistair Burt: I am sorry to hear about the difficulties of my hon. Friend’s constituents. There is a provision within the regulations to enable patients who have serious difficulty in getting to a pharmacy because of the distance involved or the lack of transport to receive dispensing services from a doctor. Doctors should certainly not be blocking the addition of local pharmacies. If my hon. Friend writes to me, I can look into the matter in greater detail.

Jim Shannon (Strangford) (DUP): Taking into account the immeasurable value that community pharmacies provide for some of the most vulnerable people in sections of our society, does the Minister agree that, when it comes to Government budgets, these dispensing services should be included in any ring-fencing that goes on around front-line services?

Alistair Burt: The hon. Gentleman’s support for these services is well known and what he says is right. The regulations do protect the more vulnerable, but when I next look at them, I will make sure that they fulfil his requirements.

NHS Bursaries: Student Nurses

12. Dr Rosena Allin-Khan (Tooting) (Lab): What assessment he has made of the potential effect of the proposed removal of NHS bursaries on the number of applications from mature students for nurse training places.

The Parliamentary Under-Secretary of State for Health (Ben Gummer): Mature students represent a significant proportion of the nursing, midwifery and allied health professions’ workforce. Looking at what happened following the introduction of the maximum £9,000 per annum tuition fees in 2012, the latest UCAS data for last year show that full-time mature student numbers have now significantly exceeded previous levels.

Dr Allin-Khan: I am proud to have served on the front line of our national health service for the last 10 years, and to ask my first question on its 68th birthday.

St George’s hospital in my constituency is operating at a significant deficit, partly owing to expensive agency staff costs. Does the Minister agree that cutting NHS bursaries for nurses, midwives, radiographers and other allied health professionals will prevent the recruitment and retention of high-quality trained staff and make the problem worse?

Ben Gummer: I welcome the hon. Lady to her seat. She fought a courageous campaign, and it is good to see her in the Chamber. She brings expertise to the House, which is also very welcome.

I agree with the first part of the hon. Lady’s question—the deficit at her local hospital is indeed partly caused by the excessive costs of agency nurses, and we are trying to put a cap on those costs—but I am afraid I disagree
with the second part. I believe that changes in nurse bursaries will enable us to get more nurses and healthcare professionals into the NHS. There has been a similar development in the rest of the higher education sector, and I want to replicate that success in the NHS so that we can provide it with the workers that it requires.

Justin Madders (Ellesmere Port and Neston) (Lab): I, too, am delighted to welcome my hon. Friend the Member for Tooting (Dr Allin-Khan) to her seat. Her recent experience on the front line of the NHS will be of great value, and we in the Labour party pride ourselves on listening to NHS staff. Let me also put on record my thanks to my hon. Friend the Member for Lewisham East (Heidi Alexander) for the excellent job that she did as shadow Secretary of State.

I must challenge the Minister again about the impact of this policy on mature students. According to an answer given to me by his colleague the Minister for Universities and Science, in 2010-11 there were 740,000 enrolments in higher education among people aged 21 or over. Let me ask a simple question: in 2014-15, after tuition fees trebled, was the number of enrolments among mature students higher or lower?

Ben Gummer: I echo the hon. Gentleman’s remarks about the hon. Member for Lewisham East (Heidi Alexander). She gave the House admirable assistance in challenging the Government, and I regret her loss from the Opposition Front Bench.

The latest figure from UCAS, for 2015, shows that the number of mature student applications has risen since the introduction of £9,000 tuition fees, but the hon. Gentleman is right to identify that factor as a challenge in relation to our new plans. That is why we asked open questions during the consultation, and I hope that, now that it has closed, we shall be able to respond to those questions to ensure that we can give the best possible assistance to mature students who want to become nurses.

Justin Madders: According to the universities Minister, the number of mature students enrolling in universities has fallen by 22%. If that were repeated in the health sector, what is already a staffing crisis would become a catastrophe. The Minister has said that an extra 10,000 training places will be created during the current Parliament, but everything I have heard from the Opposition Front Bench.

Justin Madders: [905665] The problems at my hon. Friend’s hospital are a result of management issues and long-running troubles that the hospital has encountered. I hope we will be able to fix them in the short term and provide long-term solutions, which I will be briefing about in the days to come.

Several hon. Members rose—

Mr Speaker: Order. Progress has been rather slow today, but I want to accommodate one further inquiry. I call Karin Smyth.

Forward Budget Planning

14. Karin Smyth (Bristol South) (Lab): What steps he is taking to ensure that forward budget planning in his Department is robust. [905666]

The Parliamentary Under-Secretary of State for Health Sciences (George Freeman): In the autumn statement and the Budget the Government fully funded NHS England’s five year forward view. We have committed to an extra £10 billion in-year by the end of this Parliament. Furthermore, we have frontloaded it, as we were asked to do by NHS England, with £6 billion extra by the end of 2016-17 with an extra £4 billion for technology funding.

NHS Deficits

13. Margaret Greenwood (Wirral West) (Lab): What assessment his Department has made of the potential effect of measures to reduce the size of NHS deficits on NHS staff numbers.
Karin Smyth: I thank the Minister for his answer. Having published reports on seven areas of the Department’s work since January, members of the Public Accounts Committee, of whom I am one, were looking forward to the publication of the annual accounts with some anticipation. It is becoming clear that Brexit’s impact on staffing, procurement and medicines will be huge, so what is the Minister doing to assess and mitigate the risk to the 2016-17 budget and will this be made clear in this year’s published accounts?

George Freeman: May I first make it clear, as the Prime Minister has done, that nothing immediately changes? We are still full voting-right members of the European Union, and nobody in the system needs to worry about any immediate changes. The Government are putting together a plan for handling the negotiations that now need to be taken forward, and for my own part I as a Minister in the Department have convened a workforce to look at the issues around medicines access. There are three things we need to do: first, to reassure people that this country has a very strong life science and healthcare research system and economy; secondly, to make sure that we negotiate our new relationship with the EU in a way that works; and thirdly, to take advantage of the regulatory freedoms that we now have to make sure that this country is the very best country in the world in which to develop those innovations.

Mr Speaker: We are most grateful to the Minister for his thesis.

Topical Questions

T1. [905643] William Wragg (Hazel Grove) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health (Mr Jeremy Hunt): As we plan a new relationship with the EU, this Government will continue to ensure that the NHS is given the priority and stability it deserves. I have already sent a message of reassurance to all NHS staff, emphasising the vital role played by the 110,000 EU nationals working in our health and care system. To be able to allow them to continue making their outstanding contribution will be a key priority in our negotiations, and we are confident they will be able to remain in this country as long as they wish. Whatever other changes are happening at a national or international level, the commitment of the British people and this Government to our NHS and its outstanding contribution will continue to ensure that this country is the very best country in the world in which to develop those innovations.

William Wragg: A report published yesterday by the health journal Pulse showed that last year two thirds of young people referred by their GP for mental health services received no treatment, and moreover a third were not even assessed. I am a strong supporter of this Government’s commitment to improving mental health care, so what reassurance can the Secretary of State give today that results in child and adolescent mental health services will improve rapidly?

Mr Hunt: My hon. Friend is right to draw attention to that issue. We, too, are very proud of the progress we have made on mental health, with 1,400 more people accessing mental health services every day than six years ago, but there is a particular job to do with children and young people’s mental health, and we are putting £1.4 billion into that during the course of this Parliament—and there is a specific plan for the Manchester area, which I think will help my hon. Friend’s constituents.

Justin Madders (Ellesmere Port and Neston) (Lab): It seems that almost every day there is another report about the deteriorating condition of NHS finances. Today we hear of a survey by the Healthcare Financial Management Association that said 67% of clinical commissioning group finance officers reported a high degree of risk in achieving their financial plan for the year, so does the Secretary of State now accept that the Government need to commit more funds to the NHS?

Mr Hunt: We have accepted that, which is why in our manifesto at the last election we were committed to putting £5.5 billion more into the NHS than was being promised by the hon. Gentleman’s party, but we have to live within the country’s financial envelope, because we know that without a strong economy we will not have a strong NHS. We will continue to make sure we get that balance right.

T5. [905648] Andrew Stephenson (Pendle) (Con): In May, the Under-Secretary of State for Health, my hon. Friend the Member for Battersea (Jane Ellison), gave me a very encouraging answer about improving the treatment and diagnosis of Lyme disease. Will she meet me and other concerned colleagues to discuss what more can be done to tackle that terrible condition?

The Parliamentary Under-Secretary of State for Health (Jane Ellison): I am pleased to report that the commissioning of the systematic reviews of the diagnosis and treatment of Lyme disease, which I mentioned at that time, is under way. We expect that work to start in the autumn, and the researchers will approach relevant stakeholders. Once that work is under way, I would be happy to organise a meeting for colleagues at which the experts leading it can brief them further.

T3. [905645] Patrick Grady (Glasgow North) (SNP): Will the Secretary of State join me in welcoming the formation of the all-party parliamentary group on blood donation? Will he agree to take part in and perhaps give evidence to its inquiry into the criteria for blood donation, particularly those regarding men who have sex with men?

Jane Ellison: As Members will know, the Department has asked the Advisory Committee on the Safety of Blood, Tissues and Organs—SaBTO—to review the donor selection criteria for blood donation that relate to men who have sex with men. SaBTO has approved the remit, the terms of reference and the work streams, and it is cracking on. It has a second meeting coming up later this month. The chair of the working group has written to the chair of the all-party group, welcoming its inquiry and inviting it to contribute evidence during the autumn.

T7. [905650] Andrea Jenkyns (Morley and Outwood) (Con): To expand on the question asked by the shadow Secretary of State, I too would like to raise the case of my constituent Abi Longfellow who suffers from dense deposit disease and is awaiting a decision by the NHS’s specialised commissioning body. She and her
family have been subjected to frequent delays and miscommunications. I first met Health Ministers, NICE and NHS England a year ago to discuss Abi’s situation. What steps will the Government take to ensure that decisions on treatments such as this are taken in a timely fashion and that families are kept updated on the progress of those decisions?

The Parliamentary Under-Secretary of State for Life Sciences (George Freeman): My hon. Friend raises an important point. NHS England is currently unable to take final decisions on this year’s new treatments, including this particular drug, until the courts have decided whether pre-exposure prophylaxis HIV prevention should compete with other candidate drugs. She makes an important point about timeliness, and that is why I am leading an accelerated access review to speed up the way in which such decisions are taken.

T4. [905647] Martyn Day (Linlithgow and East Falkirk) (SNP): In March, the Scottish Government made a commitment to substantially increase the financial support for the victims of contaminated blood. Initially, that will have to be administered through the current system, but the Department of Health appears to be dragging its feet. Will the Secretary of State explain the cause of the hold-up and say how he plans to expedite these payments to people with life-threatening illnesses?

Jane Ellison: No one is dragging their feet and we are trying to get this matter sorted out. I have had a number of discussions with the Cabinet Secretary for Health and Sport, Shona Robison, most recently last Thursday. We are working together to facilitate the increased payments, using the current scheme administrator. We want the payments to be made as quickly as possible to people who were infected in Scotland and across the UK. Officials in the Department of Health and officials in Scotland are working closely together to expedite the matter.

T8. [905651] Sir Edward Leigh (Gainsborough) (Con): Community hospitals such as John Coupland in Gainsborough are very popular, yet health authorities seem intent on centralising services. Will the Secretary of State today make clear his absolute commitment to supporting local community hospitals and giving them work, and state that there will be no closures without his personal authorisation?

The Parliamentary Under-Secretary of State for Health (Ben Gummer): Community hospitals form an important part of the NHS landscape and are valued by local communities, many of which have contributed to them through their fundraising efforts. The Secretary of State has to abide by the decisions of the Independent Reconfiguration Panel and the advice of clinicians, but it is clear that community hospitals that evolve and modernise will have a place in the NHS in the future.

T6. [905649] Margaret Greenwood (Wirral West) (Lab): The cancer drugs fund is due to be handed back to NICE later this month. In May, 15 leading UK cancer charities published an open letter detailing their concern that that would see patients missing out on clinically proven cancer drugs because the NICE system is outdated and no longer fit for purpose. Will the Secretary of State agree to carry out a wide-ranging review of NICE’s health technology appraisal process for cancer drugs to ensure that all cancer patients can access the drugs they need?

George Freeman: I am delighted to assure the hon. Lady that as part of the accelerated access review, we are considering how we can ensure that the £1 billion commitment to the cancer drugs fund is used to accelerate through the most effective treatments, and, through the new system that NHS England is putting in place, to make sure that patients get access to better drugs more quickly.

T9. [905652] Mr David Davis (Haltemprice and Howden) (Con): The Royal Free London NHS Foundation Trust recently signed an agreement to share 1.6 million patient records with Google’s DeepMind subsidiary. The data include medical history, HIV status, past drug overdoses, abortions, and all pathology, radiology and visit records. It is claimed that the data are anonymised, which is impossible given the nature of the data, and no permission was obtained from patients. It is also claimed that the agreement was made under the Secretary of State’s guidelines. Will he tell the House what he is doing to protect the privacy of such information?

Mr Jeremy Hunt: I am very happy to do so. My right hon. Friend has campaigned long and hard, and rightly so, on such issues. The truth is that the guidelines under which the NHS operates for the sharing of patient-identifiable data are not as clear as they need to be. That is why I asked the Care Quality Commission to undertake an independent investigation into the quality of data protection by NHS organisations and Dame Fiona Caldicott to update her guidelines. I hope that we will have news on that soon and certainly before the summer recess, which will please my right hon. Friend.

Nick Thomas-Symonds (Torfaen) (Lab): Happy 68th birthday to the NHS and thank you to its creator, Labour’s Aneurin Bevan.

According to research by the British Lung Foundation, the mortality rates for lung disease have not improved over the past 10 years. Will the Secretary of State take a lesson from the Welsh Government, which have put in place a specific strategy and delivery plan to tackle the issue?

George Freeman: The hon. Gentleman will know that the Under-Secretary of State for Health, my hon. Friend the Member for Battersea (Jane Ellison), opened an exhibition on this topic yesterday and that the Chancellor recently put an extra £5 million into mesothelioma research. Through the National Institute for Health Research, the Government are committing to invest in that disease area. We are also committed to ensuring that we drive up both research and better treatment for such diseases.

Dr Sarah Wollaston (Totnes) (Con): Prevention of ill health has to be given a higher priority if the NHS is to meet the challenges set out in the five year forward view. Central to that will of course be the childhood obesity strategy. Has the Secretary of State had any discussions...
with the Prime Minister about the strategy’s future? Is he in a position to take over the strategy should No. 10 become distracted?

Mr Jeremy Hunt: I welcome my hon. Friend for her question. Thanks to the Prime Minister’s excellent initiative in relation to perinatal mental health and the £390 million extra added to that, I can indeed confirm that work is already under way to increase the number of beds in the 15 existing perinatal mental health units. There are plans for three more in the south-west, the east of England and the north-west. This has been an important initiative, and perinatal mental health is very high up among my priorities and those of the NHS.

Alistair Burt: I thank my hon. Friend for her question. Thanks to the Prime Minister’s excellent initiative in relation to perinatal mental health and the £390 million extra added to that, I can indeed confirm that work is already under way to increase the number of beds in the 15 existing perinatal mental health units. There are plans for three more in the south-west, the east of England and the north-west. This has been an important initiative, and perinatal mental health is very high up among my priorities and those of the NHS.

Several hon. Members rose—

Mr Speaker: Order. Despite the fact that we are late, I am keen to try to satisfy the inquisitorial appetite of colleagues, but can do so best if they are each now very brief.

Emma Reynolds (Wolverhampton North East) (Lab): What is the Health Secretary doing to ensure that the NHS gets the £350 million a week that it was promised during the referendum campaign?

Mr Jeremy Hunt: I am a little stumped, because I was never really sure whether we would see that money. All I can say is that I am committed to successful negotiations with the EU, and I am delighted that a number of people who championed the Brexit vote have said that any extra funding should go to the NHS.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): As we celebrate the 68th birthday of the NHS—one of the Labour party’s proudest achievements—let us not forget the fact that there are thousands of people across our country with mental health conditions who continue to face stigma, discrimination and prejudice. Recent reports tell us that young people are waiting up to a decade to receive the appropriate treatment, and future plans for children and young people’s mental health are not up to scratch. Will the Minister please tell us how many more NHS birthdays will have to pass before real equality for mental health is secured?

Alistair Burt: How I miss the hon. Lady sitting on the Opposition Front Bench with her questions on mental health. I pay tribute to the exceptional work that she has done in this particular area. The £1.25 billion extra that is going into children and young persons’ mental health over the course of this Parliament—I along with other Members in the House have absolutely fought to make sure that it stays in the plans—will help. We have done more work than ever before in relation to combating stigma, but she is right to raise that, as it is essential that we do. It is also essential that the money that is provided centrally goes through clinical commissioning groups into mental health spending, and I am quite sure that she and I will make sure that happens.

Amanda Solloway (Derby North) (Con): The recently published Mental Health Taskforce report recommended that NHS England should by 2021 support at least 30,000 more women annually with specialist mental healthcare during the perinatal period. Will my right hon. Friend assure me that the Department will be working to reach that target?

Alistair Burt: Although there is a general shortage, to which my right hon. Friend referred when speaking about the work being done to recruit, retain and return GPs, bursaries are available in particularly difficult areas as incentives for people to go to such areas. NHS England concentrates on trying to ensure that under-doctored areas are properly resourced.

Alison McGovern (Wirral South) (Lab): The Secretary of State and others have sought to reassure us that nothing changes immediately with Brexit, but that is not right for the NHS. The impact on the economy is already clear, and that will have a knock-on effect on our health service. That is why I will meet local leaders in Wirral on Friday to try to formulate a Brexit plan for
the NHS. Will the Secretary of State receive that plan and take all necessary steps to protect the health service in Wirral?

Mr Jeremy Hunt: Of course, and we will take every step necessary to protect the NHS throughout the country, because it remains our most important public service. I am sure that, economically, the period ahead will be difficult, but now that we have had the argument and the British people have made their decision, it is also important that we talk up the opportunities from the new relationships that we may have in the future, and the extra funding that those could generate for the NHS, and I certainly hope that that is what happens.

Mr Speaker: Last, I call Mhairi Black.

Mhairi Black (Paisley and Renfrewshire South) (SNP): An elderly constituent of mine came to my surgery to explain that, sadly, her husband had passed away as a result of being infected with hepatitis C during the contaminated blood scandal. She has applied to the Skipton Fund four times, and has been turned down because her husband’s medical records have been destroyed since his death. Can the Minister offer any advice on how I can best move forward with this? I am also happy to meet her to give her more background information.

Jane Ellison: I think the latter suggestion might be the better one. I am happy to meet the hon. Lady and talk about the matter in more detail.
Point of Order

12.38 pm

The Minister for Community and Social Care (Alistair Burt): On a point of order, Mr Speaker. As there is a slightly more relaxed atmosphere today, I wonder whether the House will indulge me as I offer a broad thank you. Twenty-four years and one month ago, I answered my first oral questions as a junior Minister, and now I have just completed my last one. This is not a sudden post-Brexit resignation—it is not catching. A few weeks ago, I made it clear to the Secretary of State, the Prime Minister and the Chief Whip that, after the referendum, I would not seek a post in what I expected to be a reshuffled Government. In the event, I hope to carry on with my duties until September, but that was not a last oral question. Therefore, in taking the chance that most Ministers do not get because we never know when the end will come, I thank colleagues for their forbearance over many years in subjects as varied as child support, disability, and the Arab spring—and in the relentless pursuit of mental health data by the hon. Member for Liverpool, Wavertree (Luciana Berger). I am looking forward to taking part in more questions from another seat in the Chamber, and I wish all colleagues very well indeed.

Valerie Vaz (Walsall South) (Lab): Further to that point of order, Mr Speaker—

Mr Speaker: I will come to the hon. Lady’s point of order, but first let me say that although that is a relatively unconventional way of expressing appreciation, the Minister of State was typically courteous in signalling in advance to me his wish to do so, and I simply want to say to the right hon. Gentleman—I think I can say it without fear of contradiction, and it was evident from the response to his point—that he is an extremely popular and respected Minister who commands widespread affection and loyalty in all parts of the House. We very much look forward to his continuing contributions, albeit in a slightly more relaxed atmosphere, I wonder whether the House will indulge me as I offer a broad thank you. Twenty-four years and one month ago, I answered my first oral questions as a junior Minister, and now I have just completed my last one. This is not a sudden post-Brexit resignation—it is not catching. A few weeks ago, I made it clear to the Secretary of State, the Prime Minister and the Chief Whip that, after the referendum, I would not seek a post in what I expected to be a reshuffled Government. In the event, I hope to carry on with my duties until September, but that was not a last oral question. Therefore, in taking the chance that most Ministers do not get because we never know when the end will come, I thank colleagues for their forbearance over many years in subjects as varied as child support, disability, and the Arab spring—and in the relentless pursuit of mental health data by the hon. Member for Liverpool, Wavertree (Luciana Berger). I am looking forward to taking part in more questions from another seat in the Chamber, and I wish all colleagues very well indeed.

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Valerie Vaz: Exactly on that point, Mr Speaker, may I, on behalf of everyone on the Opposition Benches, pay tribute to the right hon. Gentleman? He has been an extremely fantastic Minister and he is a brilliant MP. Long may he continue.

Mr Speaker: That is extremely welcome and I thank the hon. Lady for what she has said.

Teachers Strike

12.41 pm

Nic Dakin (Scunthorpe) (Lab) (Urgent Question): To ask the Secretary of State to make a statement on today’s teachers strike and its impact on children, parents and school communities.

Let me first declare my interest as a retired NUT member. Not only have we had the first junior doctors strike on this Government’s watch, but today we have failure in another public service, with a teachers strike. Sadly, this Government have relished attacking—

Mr Speaker: Order. I do not wish to disrupt the flow of the hon. Gentleman’s eloquence or the eloquence of his flow, but at this point all he needs to do is ask his urgent question. His more detailed supplementary will come after he has heard what the Minister has to say, in which I am sure he is extremely interested.

The Minister for Schools (Mr Nick Gibb): There is absolutely no justification for this strike. The National Union of Teachers asked for talks, and we are having talks. Since May, the Department for Education has been engaged in a new programme of talks with the major teaching unions, including the NUT, focused on all the concerns raised during the strike. Even before then we were engaged in round-table discussions with the trade unions, and both the Secretary of State and I meet the trade union leaders regularly to discuss their concerns.

This strike is politically motivated and has nothing to do with raising standards in education. In the words of Deborah Lawson, the general secretary of the non-striking teacher union Voice, today’s strike is a “futile and politically motivated gesture”. Kevin Courtney, the acting general secretary of the NUT, made it clear in his letter to the Secretary of State on 28 June that the strike was about school funding and teacher pay and conditions, yet this year’s school budget is greater than in any previous year, at £40 billion—some £4 billion higher than 2011-12. At a time when other areas of public spending have been significantly reduced, the Government have shown our commitment to education by protecting school spending.

We want to work with the profession and with the teacher unions, and we have been doing that successfully in our joint endeavour to reduce unnecessary teacher workload. With 15,000 more teachers in the profession than in 2010, teaching remains one of the most popular and attractive professions in which to work. The industrial action by the NUT is pointless, but it is far from inconsequential. It disrupts children’s education, inconveniences parents, and damages the profession’s reputation in the eyes of the public, but our analysis shows that because of the dedication of the vast majority of teachers and headteachers, seven out of eight schools are refusing to close.

Our school workforce is and must remain a respected profession suitable for the 21st century, but this action is seeking to take the profession back in public perception to the tired and dated disputes of the 20th century. More importantly, this strike does not have a democratic
mandate from a majority even of NUT members. It is based on a ballot for which the turnout was just 24.5%, representing less than 10% of the total teacher workforce.

Our ground-breaking education reforms are improving pupil outcomes, challenging low expectations and poor pupil behaviour in schools, and increasing the prestige of the teaching profession. This anachronistic and unnecessary strike is a march back into a past that nobody wants our schools to revisit.

Nia Dakin: Not only have we had the first junior doctors strike on this Government’s watch, but today we have failure in another public service with the teachers strike. Sadly, this Government have relished attacking education professionals, undermining them and describing them as “the blob”, instead of engaging with them and celebrating their role in driving up individual child and school performance. At a time when people have a right to look to Government for stability and security, a breakdown of trust among teachers and a strike of this nature is most unfortunate.

At the heart of this is concern felt by people on the frontline, be they teachers, head teachers or parents, about future school budgets. Everyone knows that despite the Secretary of State’s protestations, school budgets are going to fall in real terms, year on year, up to 2020. Heads teacher know it, parents know it, and the Institute for Fiscal Studies has confirmed it. The only person who is shovering her head in the sand in total denial is the Secretary of State. That failure of Government has resulted in what we are witnessing today—massive disruption, classes cancelled and pupils sent home.

The Chancellor has made it clear that he is tearing up his fiscal rules. As my hon. Friend the Member for Manchester Central (Lucy Powell) asked yesterday, will the Government now commit to securing our children’s future by reversing the planned cut in funding and securing the necessary cash for our nation’s children? As I asked yesterday, will the Minister commit to publishing the Government’s response to the School Teachers Review Body by the end of this academic year so that head teachers can plan effectively?

It is clear that the Government have lost the plot. They have a problem with teachers—they cannot recruit or retain enough, and they have lost teachers’ confidence in large numbers. It is clear today that our children, who are our future, are paying the price of Tory education failure.

Mr Gibb: It is nice to hear from the shadow shadow Schools Minister on the fourth row of the Opposition Benches. The only people who are undermining the teaching profession are the leadership of the National Union of Teachers. I am disappointed that the hon. Gentleman is jumping on this dispute to make cheap political points, instead of joining the Government and condemning this unnecessary and pointless strike. Will he now say that he opposes this strike by the NUT, which is disrupting children’s education and inconveniencing parents?

Finally, just to respond to the hon. Gentleman’s point about the School Teachers Review Body report, we will publish the report, together with our response and a draft revised school teachers pay and conditions document, as soon as we have completed our consideration of it.

Mark Pawsey (Rugby) (Con): Parents do not know why many teachers have gone on strike, and I am sure many of the teachers themselves do not understand why this strike is taking place. What parents do know is how difficult it is to make arrangements for childcare at short notice. Will the Minister pay tribute to the many teachers who are in work today, doing the right thing by their pupils?

Mr Gibb: My hon. Friend is right. These strikes not only damage children’s education, with every extra day of school missed damaging the outcomes for those children, but hugely inconveniencing working parents, who have to make childcare arrangements or take a day off work in order to look after their children. So I share my hon. Friend’s comments, and I pay tribute to the vast majority of teachers and head teachers who are working today, resulting in seven out of eight schools refusing to close.

Angela Rayner (Ashton-under-Lyne) (Lab): As in the case of the junior doctors dispute, I am sure that the general public watching this debate will see through this Government’s mirage and their fascination with what they seem to think is the picture out there. Taking strike action is one of the most difficult decisions any teacher makes. No one takes that decision lightly, but teachers have said enough is enough. They are fed up with the cuts, which 70% of heads say are directly affecting educational standards. Will the Minister now accept that class sizes are increasing, pupils are getting less choice about the subjects they learn, jobs are going and children are getting less individual time with staff?

I find the Minister’s faith in the free market’s ability to decide teachers’ salaries touchingly naive, on a day when the pound has fallen to a 31-year low. Can he tell us whether there is any limit to how far he is prepared to see teachers’ salaries fall? Meanwhile, the Secretary of State has refused to say anything about what will happen to teachers’ pay and conditions in September, and we have still not heard anything about that from the Minister. We are less than a month from the end of term, so will he finally end the uncertainty and update the House on what teachers can expect?

Unfortunately, the Secretary of State seems to be spending more time on the Justice Secretary’s campaign for the Tory leadership than on her day job. Will the Minister now agree to get around the table and thrash out a better deal for the next generation, which is what every parent across the country wants? The working conditions of our teachers are the learning conditions of our children, and our children deserve the very best.

Mr Gibb: What the public are seeing is a Labour party that is equivocal about whether it agrees with strike action that is disrupting children’s education. The hon. Lady is not prepared to condemn strike action that is not only damaging children’s education but hugely inconveniencing working parents, who have to make alternative arrangements for looking after their children.

The hon. Lady talks about class sizes, but the average infant class size has remained at 27.4—unchanged from 2015. Indeed, of the 3,066 infant classes with 31 or more pupils, 80% have just 31 pupils, and that is because of the flexibility we have built in to allow one or two extra children—for example, twins—to have access to those schools. Will the hon. Lady condemn that policy?
I have said that we will publish the STRB report when consideration of it is complete. We will consult teachers and stakeholders about the future of the STRB and about the arrangements when all schools are academies. However, let me give the hon. Lady one final chance to say, on behalf of the Labour party, that it condemns this unnecessary and futile strike by the National Union of Teachers.

Mr Philip Hollobone (Kettering) (Con): Working mums and dads in my constituency will today be hugely inconvenienced by this completely unnecessary strike action. Many of them work in the local NHS and in local public services and social services, and their patients and customers will be inconvenienced by their absence as part of a politically motivated strike that is, frankly, an embarrassment to many members of the NUT itself. Will my hon. Friend the Minister praise those teachers who have walked across picket lines today to teach children in our local schools? They are the shining example, not the NUT.

Mr Gibb: Yes, my hon. Friend is absolutely right. Nothing is more important than ensuring that young people get a good education—that they master the basics of reading and writing, get good GCSEs and are prepared for life in modern Britain. I do pay tribute to people who have gone into a vocational and caring profession. They are not driven by money, but they do seek to be recognised for their vocation hard to live out, particularly when they have had to tackle, and they did not plan for the increased birth rate.

Mr Gibb: Kevin Courtney, the acting general secretary of the NUT, has made it clear that the dispute is about pay and conditions. On workload, what is disappointing about the strike is that we have been working extremely closely and constructively with all the teacher unions to tackle unnecessary workload. As a consequence of our discussions, we have established three workload groups, staffed by highly experienced teachers and headteachers. We have looked at data management, planning and scheduling, and conditions, as we move into a situation where more and more schools become academies, we will consult with the profession about the future of the STRB process.

Philp Davies (Shipley) (Con): If the shadow Secretary of State is right that strike action is always a big and difficult decision, is it not about time that strike action is not allowed when such a derisory proportion of members—in this case, 24%—vote for it, particularly given the huge disruption it causes to pupils’ education, to parents’ lives and to other teachers, who have to cover for those who are out on strike?

Mr Gibb: My hon. Friend is absolutely right. The Trade Union Act 2016 will ensure that industrial action in essential services gets the go-ahead only after a ballot of at least 50% of members. Bearing in mind that the turnout for this ballot was just 24.5%, this strike would not be legal if the new regulations had taken effect. We are consulting with stakeholders on the regulations, and the thresholds are likely to come into force later this year.

Dawn Butler (Brent Central) (Lab): I received a message today from Nicola, a teacher—I am sure her class is not full of twins—who said that she is trying to work out how to fit next year’s class of 34 into a room with furniture for just 28 children, while also making leaving cards for four members of staff. What does the Minister have to say to Nicola?

Mr Gibb: What I would say is that the percentage of pupils in infant classes of more than 30 is 5.8%, which is down from 6.2% in January 2015. In the last five or six years, we have created 600,000 more school places. We have doubled the amount of capital going into creating new school places, compared with what spent by the previous Labour Government. Incidentally, they removed 200,000 primary school places, which is the problem we have to tackle, and they did not plan for the increased birth rate.

Alex Chalk (Cheltenham) (Con): Our teachers do a fantastic job, but does the Minister agree that there are ways to protest that do not involve damaging children’s education and inconveniencing parents? Does he agree that there has to be the strongest possible justification for such drastic action and that that threshold has not been met in this case?

Mr Gibb: Kevin Courtney, the acting general secretary of the NUT, has made it clear that the dispute is about pay and conditions. On workload, what is disappointing about the strike is that we have been working extremely closely and constructively with all the teacher unions to tackle unnecessary workload. As a consequence of our discussions, we have established three workload groups, staffed by highly experienced teachers and headteachers. We have looked at data management, planning and scheduling, and conditions, as we move into a situation where more and more schools become academies, we will consult with the profession about the future of the STRB process.
Mr Gibb: The hon. Gentleman talks about 20,000 teachers, but there are 456,000 teachers in this country—the highest number in our history. He has been a Member of this House for a long time, and he knows that we live in a parliamentary democracy.

Chris Elmore (Ogmore) (Lab/Co-op): This is an England-only strike. There are no strikes in Wales, Scotland or Northern Ireland, because their devolved Governments listen to and respect teachers. Standards have increased in Wales year on year, and the gap with England is closing. Where teachers are valued and listened to, that does not lead to strike action. The Minister should follow the lead of the devolved nations in supporting all teachers.

Mr Gibb: The problem with education in Wales is that standards are behind those in this country. In fact, yesterday we were asked what advice we could give to the Welsh Government about our academies programme, our reforms to the curriculum, and our reforms of GCSEs and A-levels, which are resulting in higher and improving standards in this country. The gap, I suspect, is widening.

Jenny Chapman (Darlington) (Lab): As we now have a Chancellor talking about post-Brexit largesse, what do Ministers intend to do to ensure that the projected schools funding cuts are prevented?

Mr Gibb: We have protected school funding on a per-pupil basis. School funding is now at £40 billion—the highest it has ever been, and £4 billion more than in 2011-12. Because of the decisions that the Chancellor took in his Budgets, particularly the June 2010 Budget, we are not facing, and have not faced, the crisis facing countries such as Greece that had the same deficit as a percentage of the budget. We have not faced their crisis of closing schools, slashing salaries, and cutting numbers of teachers; we have maintained stability in our system. The average class size has remained stable in that period despite the fact that we have also created 600,000 more school places.

John Pugh (Southport) (LD): There is a section of the Government that does not believe in experts, but, for the record, is the Minister really contradicting the Institute for Fiscal Studies, which predicts an 8% fall by 2020 in school budgets, in real terms?

Mr Gibb: We are aware that there are costs that schools have to face in the coming years, but we have protected school funding. If we look across Whitehall, we see the reduction in spending that we have had to secure to tackle the record public sector deficit that we inherited in 2010—£156 billion, or 11% of GDP. It is now down to less than 4% of GDP, thanks to those savings. We have issued significant guidance to schools about how they can manage their budgets and procure savings and efficiencies in the way they run their schools to meet these challenges.

Toby Perkins (Chesterfield) (Lab): I congratulate my hon. Friend the Member for Scunthorpe (Nic Dakin) on ensuring that the Government are held to account on the failure in education policy, which is very important. The Minister should know, as he articulated, how real the demoralisation is of teachers in our schools. Have the Government made any assessment of the impact on our children’s education of how demoralised teachers are? Why do the Government not take serious steps to try to lift the morale of teachers rather than constantly denigrating them in this Chamber?

Mr Gibb: No one on the Government Benches is denigrating teachers. Teachers in this country are a much respected profession who are providing a very high, and improving, quality of education to young people. We have reformed the primary curriculum and the secondary curriculum, and we have reformed GCSEs, putting them on a par with the best qualifications in the world. The teaching profession has responded magnificently to those new challenges. Today we have published the key stage 2 results on a pupil basis, and we see that two thirds of pupils are now meeting the new expected standards in reading and 70% of pupils are meeting the new expected standards in mathematics. That is a tremendous achievement given the very significant rise in the expectations and rigour of the new primary curriculum.

Diana Johnson (Kingston upon Hull North) (Lab): Just to be clear, does the Minister accept the IFS’s prediction that school budgets will fall by over 8% up to 2020—yes or no?

Mr Gibb: School budgets have been protected. We are spending £40 billion, and we have said that per-pupil funding for schools is protected throughout this Parliament. Schools will face increased costs of salaries, pension contributions and national insurance, but we have provided advice to them about how they can meet those challenges to procure more efficiently and to make sure that their staffing arrangements provide the best education within their budgets. We have protected school funding throughout this Parliament.

Steve Rotheram (Liverpool, Walton) (Lab): Perhaps I need to declare an interest, as my sister is a teacher. With regard to why she would go on strike, it is not just about her terms and conditions—it is about the pupils to whom she believes she has a responsibility. The Minister has mentioned record budgets. Will he confirm or deny whether, in real terms, the budget has gone up per pupil?

Mr Gibb: It has gone up in real terms overall, as I have said, and £40 billion is the highest ever level of spending. We have had to take some very difficult public spending decisions over the past six years because of the mismanagement of the public finances by the Labour Government—a party and a Government whom the hon. Gentleman supported. As a consequence of taking those difficult decisions, we are not facing the challenges that other countries in Europe that have had similar levels of public sector deficit have had to face.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I think that our constituents would expect us to try to cool the temperature here. Those of us who have been around in education for some time know that previous Labour Governments have had their disagreements with the NUT. The fact of the matter is that there are a lot of unhappy teachers out there at the moment, and they do
have some real concerns. This is an important statement. Indeed, what other statement could have got the whole ragtag and bobtail that remains of the Government Front Bench here at one time? This is a serious matter. Let us cool the temperature, talk to teachers, meet their concerns, and get them back to work.

Mr Gibb: I totally agree with the hon. Gentleman and former Chair of the Education Committee; he is right. We do talk to the teaching profession. We have regular discussions. The Secretary of State and I, and other Ministers, regularly visit schools up and down the country and talk to teachers. There is no question but that the reforms that have been put in place over the past five or six years have been very significant; we do not resile from stating that. It was important that we raised standards of reading and arithmetic in primary schools, that we reintroduced grammar into the primary curriculum, and that we revised and improved the curriculum in secondary education. We have to make sure that our young people are prepared for life in modern Britain and prepared to compete in an increasingly competitive global jobs market, and we are delivering on that. I am delighted by the way in which the profession has responded to those challenges.

Julie Cooper (Burnley) (Lab): Does the Minister agree that teachers are the experts in education, and that when these professionals have genuine concerns that funding cuts are damaging the education of our children, it would be irresponsible of them not to make those concerns known to Government? If the teaching profession had the respect and the ear of this Government, they would not be in the position of having to take last-resort strike action to protect the education of our children.

Mr Gibb: No, I think that is an anachronistic approach to discussing important political issues. We have regular discussions with the teacher unions. We have all kinds of reference groups of representative teachers whom we meet regularly in the Department for Education. We are very aware of teachers’ concerns about the changing curriculum and worries about workload. We had a workload challenge to which 44,000 teachers responded. We take all these issues very seriously, and we respond to concerns. We do not want to go back to the 1980s and have strikes as a way of engaging in issues of concern. They are not necessary, and most teachers agree with that.

Louise Haigh (Sheffield, Heeley) (Lab): The Minister can say all he likes about school budgets going up, but the facts on the ground paint a very different picture. One of the schools in my constituency has had to close down its summer school, which was deliberately targeted at helping deprived students to catch up before the beginning of the school year. Will he look at that example, and other examples that other hon. Members are sure to raise, to make sure that the funding cuts do not impact on deprived students, in particular?

Mr Gibb: Yes, of course I will look at any individual examples that the hon. Lady or any other hon. Member wants to bring my attention, and I will make sure that the school is receiving the best possible advice on how to manage its budget.
Andrew Gwynne (Denton and Reddish) (Lab): I do worry about the Minister’s arithmetic capabilities when he sets himself against the IFS, which has clearly said that school budgets will be cut by 8% in real terms by 2020. That is one side of the equation. The other side, as my hon. Friend the Member for Wythenshawe and Sale East (Mike Kane) has said, is teacher morale, which has been compounded by some of the changes to the curriculum and the additional workload. Why have Ministers set their face against the teaching profession in this way? Have they not today reaped what they have sown?

Mr Gibb: I accept that the changes implemented in the past five years have been radical. They have taken many years to prepare. The primary curriculum was published in 2013 and became law in September 2014, and the first assessment of it took place in May 2016. The first teaching of the English and maths GCSE reforms began in September 2015, after four or five years of preparation, and the first teaching of a number of other subjects will take place this September. I understand the work involved in preparing for a new specification and a new curriculum, but the changes are hugely important and they will have a dramatic impact on the standard of education in our state schools in the year ahead. That is a prize well worth delivering, and I hope that the hon. Gentleman will support higher academic standards in our state schools.

Margaret Greenwood (Wirral West) (Lab): In encouraging people to go into teaching, what reassurance can the Minister give to those who want to teach art, drama and music that there will be departments that require their services in the years ahead?

Mr Gibb: There was a Westminster Hall debate on this issue yesterday, during which I set out the figures for art and design and for music. They show that the take-up and entry figures for those subjects have remained stable, notwithstanding the introduction of the EBacc combination of core academic subjects. It is important that more young people take those core academic subjects of maths, English, science, a humanity subject and a modern foreign language at GCSE. That is what happens in a number of high-performing jurisdictions around the world. We want our young people to be competent in a foreign language. That is why we set a target that 90% of pupils will be taking the EBacc combination by 2020, but that does not mean that there is no space or time in the school curriculum for those important creative arts subjects.

**Bill Presented**

**Digital Economy Bill**

Presentation and First Reading (Standing Order No. 57)

Secretary John Whittingdale, supported by the Prime Minister, Secretary Sajid Javid, Secretary Stephen Crabb, Secretary Greg Clark, Secretary Nicky Morgan, Secretary Amber Rudd, Secretary Elizabeth Truss, Matthew Hancock, Mr David Gauke and Mr Edward Vaizey, presented a Bill to make provision about electronic communications infrastructure and services; to provide for restricting access to online pornography; to make provision about protection of intellectual property in connection with electronic communications; to make provision about data-sharing; to make provision about functions of OFCOM in relation to the BBC; to provide for determination by the BBC of age-related TV licence fee concessions; to make provision about the regulation of direct marketing; to make other provision about OFCOM and its functions; and for connected purposes.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 45) with explanatory notes (Bill 45-EN).

**Business without Debate**

**Supply and Appropriation (Main Estimates) Bill**

Motion made, and Question put forthwith (Standing Order No. 56), That the Bill be now read a Second time.

Question agreed to.

Bill accordingly read a Second time.

Question put forthwith, That the Bill be now read a Third time.

Question agreed to.

Bill accordingly read the Third time and passed.
The amendment gives effect to separate provisions relating to the National Assembly for Wales, as the Legislature, and the Welsh Government, as the Executive. The amendment changes the place in the Government of Wales Act 2006 in which the text relating to the permanence of the Welsh Government would appear.

Amendment 22, page 1, line 18, at end insert—
“( ) In the Government of Wales Act 2006, after Part 2 (the Welsh Government) insert—”.
The amendment is required as a consequence of changing the location of the provision relating to the permanence of the Assembly.

Amendment 5, page 2, leave out lines 1 to 6 and insert—
“PART 2B
SEPARATION OF THE LEGAL JURISDICTION OF ENGLAND AND WALES

Introductory
92B New legal jurisdictions of England and of Wales
The legal jurisdiction of England and Wales becomes two separate legal jurisdictions, that of England and that of Wales.

Separation of the law
92C The law extending to England and Wales
(1) All of the law that extends to England and Wales—
(a) except in so far as it applies only in relation to Wales, is to extend to England, and
(b) except in so far as it applies only in relation to England, is to extend to Wales.

(2) In subsection (1) “law” includes—
(a) rules and principles of common law and equity,
(b) provision made by, or by an instrument made under, an Act of Parliament or an Act or Measure of the National Assembly for Wales, and
(c) provision made pursuant to the prerogative.

(3) Any provision of any enactment or instrument enacted or made, but not in force, when subsection (1) comes into force is to be treated for the purposes of that subsection as part of the law that extends to England and Wales (but this subsection does not affect provision made for its coming into force).

Separation of the Senior Courts
92D Separation of Senior Courts system
(1) The Senior Courts of England and Wales cease to exist (except for the purposes of section 6) and there are established in their place—
(a) the Senior Courts of England, and
(b) the Senior Courts of Wales.

(2) The Senior Courts of England consist of—
(a) the Court of Appeal of England, and
(b) the High Court of England, and
(c) the Crown Court of England, each having the same jurisdiction in England as is exercised by the corresponding court in England and Wales immediately before subsection (1) comes into force.

(3) The Senior Courts of Wales consist of—
(a) the Court of Appeal of Wales, and
(b) the High Court of Wales, and
(c) the Crown Court of Wales, each having the same jurisdiction in Wales as is exercised by the corresponding court in England and Wales immediately before subsection (1) comes into force.

(4) For the purposes of this Part—
(a) Her Majesty’s Court of Appeal in England is the court corresponding to the Court of Appeal of England and the Court of Appeal of Wales,
(b) Her Majesty’s High Court of Justice in England is the court corresponding to the High Court of England and the High Court of Wales, and

c) the Crown Court constituted by section 4 of the Courts Act 1971 is the court corresponding to the Crown Court of England and the Crown Court of Wales.

(5) References in enactments or instruments to the Senior Courts of England and Wales have effect (as the context requires) as references to the Senior Courts of England or the Senior Courts of Wales, or both; and

(6) References in enactments or instruments to Her Majesty’s Court of Appeal in England, Her Majesty’s High Court of Justice in England or the Crown Court constituted by section 4 of the Courts Act 1971 (however expressed) have effect (as the context requires) as references to either or both of the courts to which they correspond.

92E The judiciary and court officers

(1) All of the judges and other officers of Her Majesty’s Court of Appeal in England or Her Majesty’s High Court of Justice in England become judges or officers of both of the courts to which that court corresponds.

(2) The persons by whom the jurisdiction of the Crown Court constituted by section 4 of the Courts Act 1971 is exercisable become the persons by whom the jurisdiction of both of the courts to which that court corresponds is exercisable: but (despite section 8(2) of the Senior Courts Act 1981)—

(a) a justice of the peace assigned to a local justice area in Wales may not by virtue of this subsection exercise the jurisdiction of the Crown Court of England, and

(b) a justice of the peace assigned to a local justice area in England may not by virtue of this subsection exercise the jurisdiction of the Crown Court of Wales.

92F Division of business between courts of England and courts of Wales

(1) The Senior Courts of England, the county courts for districts in England and the justices for local justice areas in England have jurisdiction over matters relating to England; and (subject to the rules of private international law relating to the application of foreign law) the law that they are to apply is the law extending to England.

(2) The Senior Courts of Wales, the county courts for districts in Wales and the justices for local justice areas in Wales have jurisdiction over matters relating to Wales; and (subject to the rules of private international law relating to the application of foreign law) the law that they are to apply is the law extending to Wales.

92G Transfer of current proceedings

(1) All proceedings, whether civil or criminal, pending in any of the Senior Courts of England and Wales (including proceedings in which a judgment or order has been given or made but not enforced) shall be transferred by that court to whichever of the courts to which that court corresponds appears appropriate.

(2) The transferred proceedings are to continue as if the case had originated in, and the previous proceedings had been taken in, that other court.

This amendment replaces the Bill’s proposed recognition of Welsh law with provisions to separate the legal jurisdictions of England and Wales, as drafted by the Welsh Government.

Amendment 9, page 2, line 1, after “law” insert “and review of the justice system in Wales”.

This amendment amends the heading of Clause 1 in consequence of the proposal in amendment 7 to review the functioning of the justice system in Wales.

Amendment 7, page 2, line 3, at end insert—

“(2) The Lord Chancellor and the Welsh Ministers must keep the functioning of the justice system in relation to Wales under review with a view to its development and reform, including keeping under review the question of whether the single legal jurisdiction of England and Wales should be divided into a jurisdiction for Wales and a jurisdiction for England.

(3) In exercising their duty in subsection (2) the Lord Chancellor and the Welsh Ministers must have regard to—

(a) divergence in the law and its administration as between England and Wales,

(b) the need to treat the Welsh and English languages on the basis of equality, and

(c) any other circumstances in Wales affecting operation of the justice system.

(4) The Lord Chancellor and the Welsh Ministers may appoint a panel to advise them on the exercise of their functions in this section.

(5) The Lord Chancellor must make an annual report on the functioning of the justice system in relation to Wales to the Welsh Ministers.

(6) The Welsh Ministers must lay the report before the Assembly.

(7) The Lord Chancellor must lay the report before both Houses of Parliament.”

This provision in the Bill recognises the existence of a body of Welsh law made by the Assembly and the Welsh Ministers. The new subsections to be inserted after that provision by this amendment require the Secretary of State to keep the justice system as it applies in relation to Wales under review with a view to its development and reform, having regard in particular to divergence in the law as between England and Wales.

Amendment 10, page 2, leave out lines 4 to 6.

This amendment removes the word “normally” from the recognition that the Parliament of the United Kingdom will not normally legislate on devolved matters without the consent of the National Assembly for Wales.

Amendment 3, page 2, line 12, leave out “normally”.

This amendment removes the word “normally” from the recognition that the Parliament of the United Kingdom will not normally legislate on devolved matters without the consent of the National Assembly for Wales.

Amendment 4, page 2, line 13, at end insert—

“(a) there is an imminent risk of serious adverse impact on—

(i) the national security of the United Kingdom, or

(ii) public safety, public, animal or plant health or economic stability in any part of the United Kingdom,

(b) the legislation specifically addresses that risk,

(c) the imminence of the risk in relation to Wales makes it impractical to seek the consent of the Assembly,

(d) no Bill has been passed under section 110(1)(a) specifically to address the risk, and

(e) no subordinate legislation specifically to address the risk has been laid before the Assembly and has come into force.”

This amendment specifies the circumstances in which Parliament can legislate on devolved matters on behalf of the National Assembly for Wales without its consent.

Amendment 4, page 2, line 13, at end insert—

“(7) For the purpose of subsection (6), a provision relates to a devolved matter if the provision—

(a) applies in relation to Wales and does not relate to a reserved matter.
This amendment defines the meaning of “devolved matters” for the purpose of the statutory recognition of the convention about Parliament legislating on devolved matters proposed by Clause 2.

Amendment 25, page 2, line 13, at end insert—

“(7) In this section, “devolved matters” means matters that—
(a) are within the legislative competence of the Assembly;
(b) modify the legislative competence of the Assembly;
(c) modify a function of the Assembly;
(d) modify a function of a member of the Welsh Government exercisable within devolved competence (and “within devolved competence” is to be read in accordance with section 58A).”

The amendment defines devolved matters for the purpose of Clause 2.

Clauses 2 and 4 stand part.

Amendment 26, in schedule 4, page 94, line 10, at end insert—

“National Assembly for Wales Commissioner for Standards.”

The amendment adds the National Assembly for Wales Commissioner for Standards to the list of Wales public authorities.

Amendment 27, page 94, line 10, at end insert—

“National Assembly for Wales Remuneration Board.”

The amendment adds the National Assembly for Wales Remuneration Board to the list of Wales public authorities.

Schedule 4 stand part.

**Liz Saville Roberts:** Diolch yn fawr, Dirprwy Lefarydd. Nineteen years have passed since the 1997 referendum to establish the Assembly. It is now clear that to have our own democratically elected Government and legislature is the settled will of the people of Wales. I note with disappointment and surprise the Secretary of State’s recent refusal of an invitation from the Chair of the Assembly’s Constitutional and Legislative Affairs Committee to give evidence on the Bill. I would argue that now, especially, is the time for co-operation and the sharing of knowledge.

Clause 1 is a very welcome addition to the Welsh devolution dispensation. Any clause to recognise the permanence of the institution is, of course, overdue. Amendments 17 to 22 are not controversial, and they deal with two technical issues. First, amendment 17 and amendment 22, which is consequential on amendment 17, change the place in the Government of Wales Act 2006 in which the text of clause 1 would appear. I know that the Presiding Officer in the Assembly, Elin Jones, has made this point, and I share her view that the declaration of the permanence of the Assembly should be given prominence in the Bill. Placing it in section 1 of the 2006 Act would achieve that.

Secondly, amendments 18 to 21 reflect the constitutional separation of the legislature, the National Assembly of Wales, and the Executive, the Welsh Government, by dealing with them in separate new provisions to be inserted into those parts of the Government of Wales Act 2006 that deal respectively with the Assembly and the Government. These are probing amendments and we do not intend to press them to a vote, but I hope that the Secretary of State will agree to accept these proposals and to table his own amendments at the next stage.

I do, however, intend to press amendment 5 to a Division. This amendment deals with what was perhaps the key focus of the prelegislative stage of the Bill and remains, in our view, the main reason that it fails to achieve what the Secretary of State has said he wanted to achieve: that is, to produce a lasting devolution settlement for Wales.

Since the original Government of Wales Act 1998, we have been forced to change the devolution dispensation four times. If enacted, this Bill will become the fifth dispensation. The perpetual modifications have been necessitated by sustained reluctance from successive UK Governments, both Labour and Tory, to legislate with the long term in mind. Although all of Wales’s devolution Acts were described as settlements to settle the debate for a generation, not one of them has achieved that aim. It is clear to me that this Bill will continue that trend, unless, of course, the Secretary of State changes course.

Many, if not most, of the criticisms of the Bill made by politicians, lawyers, civil society and academics alike have been of clauses or sections that have been justified as necessary by the Secretary of State in order to maintain the single unified legal system of England and Wales. The inclusion of clause 3—this will be discussed next week—and in particular its much debated necessity test is down to the fact that the Welsh legislature operates within a shared jurisdiction. The inclusion of clause 10, on justice impact tests, which have been subject to questioning and criticism since the publication of the latest Bill, is down to the fact that justice is a reserved matter—a reservation that is apparently necessary to safeguard the shared jurisdiction. These are among the contents of the Bill that are intended to prevent the Assembly from making any provisions that will impact on so-called public authorities. Again, these are in the Bill to protect the unified legal jurisdiction. As the Wales Governance Centre and University College London report stated:

“Complexity is piled on complexity...the potential for legal challenge casts a long shadow”.

I remind the House that Wales is unique in the world in having a primary law making legislature without a jurisdiction. Scotland has a wholly separate legal jurisdiction, and the Scottish settlement is simpler as a result. It avoids the complex and unnecessary exceptions and reservations. The relative stability of the Scottish devolution settlement, when compared with the turmoil in Wales, is stark. It is rare that Wales passes a law without the threat of legal challenge from somewhere.

If there were a practical need to maintain the unified legal system, it would be worth making these compromises elsewhere in the Bill and perhaps worth the legal battles. However, I have yet to hear a genuine, practical reason for doing so. The most frequently made argument against creating a separate Welsh jurisdiction is that it is unnecessary and costly, and that divergence between the law as it applies to Wales and the law as it applies to England is minimal. To those who make those arguments I say two things. First, to say that divergence is minimal is to continue the short-term approach of previous Governments and to ignore the fact that divergence will do nothing but increase as the Assembly continues its work and as the institution gains more maturity and responsibility.
Mr Mark Williams (Ceredigion) (LD): Like the hon. Lady, I am a member of the Select Committee on Welsh Affairs, and I can back up, to a large extent, what she is saying. Was she as surprised as I was by the body of evidence that came from civil society, the legal profession and beyond during our Select Committee inquiry into the now redundant Wales Bill?

Liz Saville Roberts: I agree entirely with the hon. Gentleman. The sheer weight of that evidence underlines the fact that we struggled to find other points of view.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Amendment 5 is very well worded, if I may say so, because it was drafted, word for word, by the Labour Government in Cardiff. They wanted a separate legal jurisdiction for Wales, and they promised it as a major pledge before the Assembly election. What does my hon. Friend think it will say about the authority of Carwyn Jones among his colleagues here in London if the Labour party does not support that amendment today?

Liz Saville Roberts: I agree with my hon. Friend. I would expect there to be some concordance between both points of view, but that seems not to be the case.

Paul Flynn (Newport West) (Lab): What the hon. Lady has said is entirely fair, but we must come to a practical conclusion. It is clear that the undertaking we gave as a party to support the line taken by Plaid Cymru still stands, but the practical problem is that the Government have firmly rejected it. In these circumstances, the sensible thing to do is to seek a compromise between the two positions, and that is what our amendment is designed to do.

Liz Saville Roberts: It is unfortunate to hear that argument in relation to standing up for Wales. On the one hand we have a Secretary of State who will not meet the Committee in the Assembly, and on the other hand we have a parliamentary Labour party that is not standing up for its colleagues in Wales.

But we move ahead. The second argument that I would use to those who argue against a separate Welsh jurisdiction is that, in many ways, the significance of divergence is beside the point. It is evident that these complex clauses and tests have to be included throughout the new Bill simply to accommodate the fact that Wales does not have a separate legal jurisdiction. Such clauses and tests, incidentally, have been described by distinguished legal experts, as I have mentioned, as “a failure of comparative legal method”, and according to the constitution unit they “jar with basic constitutional principle”.

The inclusion of those clauses specifically because of the need to shore up the unified legal system is reason enough in itself, I would argue, to create a Welsh jurisdiction. To argue that it is unnecessary is to disregard completely the wealth of evidence that has emerged since the publication of the draft Bill last autumn. Stubbornly resisting that evidence will only lead to continued cases in the Supreme Court. I challenge anyone to justify making a Government accountable to a judge rather than to a legislature, but the Bill effectively enshrines such resort in law.

As our explanatory statement makes clear, amendment 5 was drafted by the Welsh Government, and it was included in annex C to the report by the constitution unit at UCL and the Wales Governance Centre earlier this year. I am, as I have mentioned, very surprised to see the amendments tabled by Labour Members, which go against the views of their own party in Wales. I recognise that the official Opposition Front-Bench team has been through something of a reshuffle recently, and I am, incidentally, very pleased to hear that the hon. Member for Newport West (Paul Flynn) has finally been offered the job that he should have been given a long time ago. I take this opportunity to welcome him to his post.

Susan Elan Jones (Clwyd South) (Lab): There is a conciliatory note in what the hon. Lady says. In this great new world of conciliation, does she agree with her party leader in Cardiff, Leanne Wood, that what we need at this time is greater working together, even if it sometimes means in Cardiff greater working together between Plaid and Labour?

Liz Saville Roberts: I am sure we will work together when it is for the best for Wales, but I understand that that is not the case in Cardiff, and Plaid Cymru will, of course, be standing for the arguments that we believe in our hearts to be for the best for Wales.

To reiterate, I ask the shadow Secretary of State for Wales to support our amendment, which will implement what his colleagues in the Welsh Government have been calling for. We have had the prelegislative scrutiny, and the evidence is there. It is clear that we must act to create a new Welsh jurisdiction, and the amendments tabled by Labour would simply kick the issue into the long grass. As I have said, Plaid Cymru is far from alone in making this call. The evidence supports our position and the Labour-run Welsh Government have called for this step—the wording on the amendment paper is theirs.

1.30 pm

I warmly welcome the inclusion of clause 2. It is essentially a Sewel convention for Wales, setting out that the UK Parliament will not normally legislate on devolved matters without the consent of the Assembly. I stress the word “normally” because it brings me to amendment 23, in my name and those of my hon. Friends, which would remove that word from the clause. Quite simply, we do not believe that it is necessary. The UK Parliament should not legislate on devolved matters full stop. Amendment 24 would add an exception to that rule, allowing the UK Government to pass such legislation if there were an imminent risk to national security and the legislation in question specifically addressed that risk. We believe that is a sensible and pragmatic way forward.

Amendments 3 and 4, tabled by the leader of the Welsh Liberal Democrats, the hon. Member for Ceredigion (Mr Williams), seek to achieve broadly the same ends as our amendment 25. Ours are probing amendments. It is for the Government to look at them ahead of the Bill’s remaining stages.

I reluctantly welcome clause 4, with its accompanying schedule 4. It is an improvement on the utterly unworkable clause in the draft Bill. I have already mentioned that...
preventing the Welsh Government from modifying the functions of public authorities is one of the many complexities included in the Bill as a result of a blind insistence on maintaining the unified legal jurisdiction. Although the clause goes some way to easing the complexity, in my view creating a separate jurisdiction would negate the need for any complexities. As it stands, we have tabled amendments 26 and 27 to the clause; they would add the National Assembly of Wales Commissioner for Standards and the National Assembly for Wales Remuneration Board to the list of so-called Wales public authorities. The amendments speak for themselves and should not be considered controversial.

David T. C. Davies (Monmouth) (Con): I begin by genuinely welcoming the two new members of the Opposition Front-Bench team. One, the hon. Member for Swansea East (Carolyn Harris), I have not known for that long, but she has always shown her willingness to work in a non-partisan way when that is called for. The hon. Member for Newport West (Paul Flynn) and I go back many decades. Although we have never really agreed, I think it is wonderful that he has found his way to the Front Bench. I suspect it will take me even longer than him to get there, but you never know. We might even see a nonagenarian on the Front Bench one of these days, and I will put myself up if I am still here.

I will address the thrust of the Plaid Cymru amendments—most importantly, amendment 21 and the general view that Plaid Cymru Members want to underline the absolute permanence of the National Assembly for Wales within the British constitution. I speak as someone who campaigned against the Welsh Assembly—I was one of the leaders of the campaign against it, back in 1997—and voted against it. Subsequently, there was a discussion among those of us in the no campaign about what we should do next. After all, the Assembly had gone through on a turnout of only 50%, with a majority of less than 1%. About 25%—just one in four—of the Welsh public had voted for a National Assembly of Wales. There were discussions about whether we should demand a rerun, or take to the streets and protest that such an enormous constitutional change was taking place with the support of just one in four of the population. We discussed all those things and the anger that we felt about the plan for the Assembly going ahead.

We decided in the end that we needed to show some humility. It was not a case of whether we were right or wrong but of listening to the will of the Welsh public. Subsequently there was a referendum a few years later, when I campaigned against further powers for the Welsh Assembly. I do not like to say that I was wrong—no politician ever does—but I accept fully that I was on the losing side and that, once again, the Welsh public had spoken and made clear their support for a Welsh Assembly. I therefore wish to say that, as someone who was probably more anti the Welsh Assembly than anyone else in this Chamber—well, I would have said that a few years ago but now I am not so sure—I totally and utterly accept that the Welsh Assembly is there, and there to stay.

Despite my constitutional misgivings about the Assembly, and the fact that I predicted at the time that it would always be seeking more powers every couple of years, I have always thought that were obvious advantages to having a body that could take some control over matters that affect the people coming to see us in our surgeries. People always want to talk about health services and the NHS, for example, and I have always thought it easier to get hold of a Minister in the Welsh Assembly than Ministers in Parliament, probably because they do not have quite as much to do. Members of the Welsh Assembly are generally able to be in their constituencies more often than Members of Parliament, for obvious logistical reasons. There were always some advantages to be had; my concern was that we had left the English question unanswered, although we are starting to address that now.

I want to make it clear that I believe that it would be constitutionally outrageous for any party to come along and try to get rid of the Welsh Assembly. I certainly would not support that. I do not for a second think it is realistic to hold another referendum on the principle of whether we have a Welsh Assembly. I was on the losing side of that argument. Whether I was right or wrong is immaterial; I fought that case, I lost, and the people of Wales have spoken.

Chris Davies (Brecon and Radnorshire) (Con): I am delighted to hear my hon. Friend’s comments, and one always listens to every word he says. Does he regret that there was no mechanism in the first Wales Bill to allow another look at whether the Assembly should exist?

David T. C. Davies: There was no mechanism but there was a second referendum a few years later. I forget the percentages, but a much clearer level of support was expressed for the Welsh Assembly in that referendum. Realistically, now, by the time of the next election there will be people who have lived their entire lives with a Welsh Assembly. I do not think that it is a greatly loved institution, but it is not greatly hated, either. It is just accepted, as part of the furniture.

The only point I would make to the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) is this. Regardless of whether her amendment 21 gets the support of the Committee today, I think it is absolutely inconceivable that there will ever be any attempt to get rid of the Welsh Assembly. It is our duty to work with it and to remember what the Welsh public have said to us twice through referendums. I hope that we will all take the same view about all referendums in which the Welsh public have expressed their voice.

Nick Thomas-Symonds (Torfaen) (Lab): I will speak in favour of amendments 9, 7 and 10. It is always a pleasure to follow my constituency neighbour, the hon. Member for Monmouth (David T. C. Davies). I welcome my hon. Friend the Member for Newport West (Paul Flynn) to the Front Bench. He follows in a fine tradition of octogenarians serving in the Labour Front-Bench team. The one who sprang to my mind was Lord Addison, who left the Attlee Government in 1951 at the age of 82. I am sure that in my hon. Friend we have a fine 21st century successor to Lord Addison. When I first came to this House, I thoroughly enjoyed reading my hon. Friend’s book “How to be an MP”; I look forward to the sequel, “How to be a Front Bench”.

I will speak on the issue of a separate legal jurisdiction for Wales. The hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) spoke about the wording of
amendment 5. When the Wales Bill still contained the vast number of necessity tests that it did, there was a more powerful argument for a separate legal jurisdiction, but now that the necessity tests have been all but removed, save in two very specific circumstances, I do not think that any urgency for that remains. That allows us the chance to move forward far more pragmatically.

We have to be absolutely clear about the consequences of having a separate legal jurisdiction. I should say that prior to coming to this House I spent 11 years as a practising barrister in Cardiff and am still a door tenant, though non-practising, at Civitas Law. I have looked at situations where the permission of the court would be required to serve outside the jurisdiction—in other words, an additional barrier to access to justice would exist—if there was a separate legal jurisdiction. The list includes interim remedies, contracts, claims in tort, enforcement, claims about property within jurisdiction, trusts, claims by Her Majesty’s Revenue and Customs, claim for costs order in favour of, or against, third parties, admiralty claims, claims under various enactments, and claims for breach of confidence or misuse of private information. All those areas would require permission to serve outside the jurisdiction. That may have been rather a legal list, but let us think of its practical consequences. For example, let us suppose a constituent from Torfaen goes to Bristol and falls over. They will be put in a complicated legal position.

Health is also a cross-border issue. If someone who lives in Wales crosses the border for treatment, there will be complications in cases of medical negligence. When people from Wales drive to London on the M4 and if they have an accident on the other side of the Severn bridge, that will have suddenly taken place in a different jurisdiction. If someone buys a washing machine or some other product from England, consumer protection law will cause complications for someone in Wales who is seeking a remedy for a problem.

Hywel Williams (Arfon) (PC): In his research, has the hon. Gentleman come across figures for how many cases are held in Wales compared with the number of cross-border cases?

Nick Thomas-Symonds: At the moment, anyone who issues a claim would have a choice about where to issue it. For example, when I practised in Cardiff, it was easy for me to issue something to my client in Bristol if I wanted to, so in a sense those statistics do not really add any meaning to my argument. Companies would have an element of uncertainty introduced to their business if they were to trade on a cross-border basis—the last thing I want is for Offa’s Dyke to become an additional barrier to access to justice.

Jonathan Edwards: The hon. Gentleman will be aware that Scotland and Northern Ireland have their own separate legal systems. Using his vast experience in that field, how does he think they should overcome those problems? I have been listening carefully to what he has been saying, and it seems as if he is fundamentally disagreeing with those on his Front Bench on this issue.

Nick Thomas-Symonds: I am not disagreeing with those on my Front Bench—I have made it clear that we are looking for a pragmatic way forward. For Scotland and Northern Ireland the history is very different, as I am sure the hon. Gentleman is aware. In Wales we can go back to the 1530s and the Tudors for the origins of the single legal jurisdiction, but the position is very different for Scotland and Northern Ireland.

Why do we now have the opportunity to consider a more pragmatic way forward? Amendment 7 makes it clear that there will be a review to consider the functioning of the system. The hon. Member for Dwyfor Meirionnydd made a point about having two legislatures within the single legal jurisdiction. That is unusual, but it does not mean that there cannot be a pragmatic way forward for the years ahead. Indeed, the amendment includes a proposal to always have regard to the divergence in the law. The Bill explicitly recognises the Welsh body of law, and there will be one because as the legislature goes forward, it will produce the case law to form that. There must be an annual report on the functioning of the justice system—something that I suggest all Members of the House should welcome.

Liz Saville Roberts: Does the hon. Gentleman agree that the current situation, whereby issues or disagreements about the status of legal proposals by the Welsh Assembly are resolved in the Supreme Court, is a satisfactory way for the legislature to proceed?

Nick Thomas-Symonds: Of course we would all like the Supreme Court to be used far less to resolve conflict between the Governments in Wales and in Westminster, but I am not sure that having a separate legal jurisdiction would have any real substantial short-term impact on that. The Bill is now far better and we have sought to improve it, but the clarity of the provisions—particularly removing all but two necessity tests—has made a great difference and I hope it will mean that there should be far less conflict in the Supreme Court.

1.45 pm

On reports to what will be the Welsh Parliament, we must look more broadly at justice in Wales, and not exclusively in relation to the jurisdiction. Wales already has a High Court district registry in Cardiff, which no doubt could be developed, and the Court of Appeal often sits in Wales. We need a real open justice system in Wales that is not just stuck in Cardiff, Swansea, Caernarfon or wherever, but is willing to go out and sit in different buildings and genuinely bring justice closer to the people. The pragmatic way forward on jurisdiction is by far the best because we would not bring all those disadvantages into play, but we can also build on the opportunity in amendment 7 to consider the whole justice system in Wales and ensure that we truly have access to justice for all.

Nia Griffith (Llanelli) (Lab): I rise to support amendment 7, to reaffirm my support for the Bill, and to thank the Secretary of State for bringing it forward so quickly. We would all like it to be enacted as soon as possible. I also thank him for recognising the growing body of Welsh law, and for his initiative to set up a body to consider that. Amendment 7 would confirm that body in writing in the Bill, meaning that a report on the state of affairs is made on a regular basis. As my hon. Friend the Member for Torfaen (Nick Thomas-Symonds) so eloquently expressed, this is not a simple issue about
which we can just have a yes or no discussion; it is a growing body of law and a number of complex issues arise. If that measure was included firmly in the Bill so that a report was made on a regular basis, we would have the opportunity to consider the direction things were going in and whether any changes were needed. The amendment states clearly that the report will consider “whether the single legal jurisdiction of England and Wales should be divided into a jurisdiction for Wales and a jurisdiction for England.”

We want that practical, sensible solution included in the Bill so we can be certain that the review will continue to take place, and so that recommendations and reports come from that, which may or may not lead to a different view on things as that body of law grows. I reaffirm my support for the Bill, and I hope that amendment 7 will be included.

Mr Mark Williams: It is a privilege to serve under your chairmanship, Mrs Laing. I reiterate my support for the amendments on the permanence of the National Assembly. I think that they originate in the office of the Presiding Officer who co-represents the Ceredigion constituency, but regardless of our constituency interests, there is huge sympathy and empathy with the principle of permanence right across the Committee—perhaps there are one or two exceptions on the Government Benches.

Amendments 3 and 4 are probing amendments like those tabled by the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts). I do not intend to divide the Committee on those amendments, but I wish to elicit from the Minister a little more detail that is currently not in the Bill. To avoid clashes between the two legislatures on devolved matters, this Parliament has hitherto adopted a self-denying ordinance, and would not normally legislate on devolved matters without the consent of the National Assembly.

I believe there is a consensus on the Opposition Benches, which is reflected by my amendment and amendments 24 and 25 tabled by Plaid Cymru, that the new provision does not provide a complete statement of the circumstances in which the Assembly’s consent is required in respect of parliamentary legislation. The Bill fails to mention the circumstances in which proposed legislation would modify the legislative competence of the Assembly itself. The amendments seek to clarify that. The requirement for consent in itself is not the issue. The Bill will at some point require the assent of the National Assembly for Wales, but in the interests of clarity and transparency the amendment sets out the circumstances when the Assembly’s consent should normally be required. I think it provides a tidier definition of devolved matters.

The meat of this grouping relates to a separate, although interestingly in this debate not a distinct, jurisdiction. I understand the principle behind Plaid Cymru’s amendments. We have heard about a separate jurisdiction and less about a distinct jurisdiction. The Government have gone as far in the Bill as to acknowledge and recognise a body of Welsh law. That is an important principle, but it is where we take that principle that concerns me. I am led in the direction of the Labour party’s amendment, which follows the stance established in the increasingly dated Silk report, which is something of a bible to Liberal Democrats. Silk, in that now slightly dusty report, talked about reviewing the case for devolving legislative responsibility for the court service—sentencing, legal aid, the Crown Prosecution Service and the judiciary—to the National Assembly. I think he would endorse the speech just made by the hon. Member for Torfaen (Nick Thomas-Symonds) and the case for a broader review of the legal system in Wales. Silk also talked about the need, in recommendation 34, for a “periodic report” by the UK Government, in consultation with the Welsh Government, to the UK Parliament and to the National Assembly on how access to justice is improving in Wales, and that there should be a regular dialogue between the Lord Chief Justice of England and Wales and Welsh Ministers on the administration of justice in Wales.

The groundwork has therefore already been done for the Labour party’s amendment. It requires the Secretary of State to keep under review the justice system as it applies in relation to Wales, with a view to reform. For some of us, the inevitable divergence of English and Welsh law being open to the possibility of reform is critically important. As a Liberal, there is still the question of timing. There is a very clear Plaid Cymru amendment. We have something that has been described as more pragmatic. Simplistically, we could say that it beffs up what Silk was talking about some time ago.

The Government have acknowledged that this is an issue by providing legal clarity on a Welsh body of law. They have also acknowledged it through the creation of a judicial working group. We talked on Second Reading about the principle of setting up the Government’s working group, which is welcome, but I do not believe it is sufficient to address the issues before us today. I am led to believe that the Welsh Assembly Government have not been invited to participate in its work.

The Secretary of State for Wales (Alun Cairns) rose—

Mr Williams: I will stand corrected if that is actually the case. I am seeking clarification and it looks like I am about to get it.

Alun Cairns: I can absolutely confirm that an invitation was sent to the Welsh Government some weeks ago. We have not yet received a response.

Mr Williams: I am grateful to the Minister for that update. That should create some food for thought at the other end of the M4, because co-operation and collaboration between both Administrations on these issues is vital.

I still have concerns about timetabling. On Second Reading, the hon. Member for Dwyfor Meirionnydd spoke about timetabling and about the working group concluding its work by September. That suggests this House—or the other place, as the Bill proceeds—would not have much of an opportunity to deliberate on its work, which is a concern. Does the working group have the opportunity to engage with civil society in the way the Welsh Affairs Committee did when it received evidence on distinct and separate jurisdictions? That is important.

I support the idea of the commission, which follows a suggested precedent that we need to review these matters. As I said on Second Reading, of all the issues in the Wales Bill we have been talking about, legal jurisdiction
is the one that will not go away. It needs to be addressed and I am not sure that that can be done in one amendment today. It needs to be addressed in a substantive review. If it is not addressed in a substantive review, I fear that if some of us are lucky enough to be in this House in years to come, we will be returning to another Wales Bill to deal with it.

Paul Flynn: The hon. Member for Ceredigion (Mr Williams) ended on a sombre note. Wales Bills are not just for St David’s day, they are for life—possibly for eternity. We have seen the tortuous birth pangs of devolution in Wales go on and on. The Bills we passed were grudging Bills. This place is neurotically power-retainive. We allow little bit of power, we take it back and then we allow it little bit more. Part of the problem has been the divisions that have existed over the years and a lack of conviction on the need for a Welsh Assembly and Welsh Government. Happily, I believe those days are gone. All parties have a desire to provide good legislation that will give the Assembly and the Government in Wales more stability and more durability.

May I say what a delight it is for me to be in this position as a shadow spokesman on the Opposition Front Bench? It is an extraordinary thing, but these jobs are rather like London buses: you wait 26 years for one and then two come along together. I am delighted to be accompanied by my hon. Friend the Member for Swansea East (Carolyn Harris). I am also comforted by the presence of my hon. Friend. Friends the Members for Llanelli (Nia Griffith) and for Clwyd South (Susan Elan Jones), who are on a temporary respite which I am sure will last for days. But I have this job. It is not the best job I have ever had: it is a zero-contract job, a zero-pay job and a zero-hours job that could end at any moment.

We are all conscious that we are just a matter of weeks from the terrible murder of our colleague, Jo Cox, who said memorably in her maiden speech that “we are far more united and have far more in common than that which divides us.”—[Official Report, 3 June 2015; Vol. 596, c. 675.]

That is what I intend to concentrate on. I agree very much with the points made by the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) and I certainly do not want any futile dispute. The Government have made it clear that they will not move on some of the main points that we and the Welsh Government are very much in favour of, so we take the position that the sensible thing is to try to find a third way or middle course.

I believe we are in a better position than we have ever been in. A book entitled “Dragons led by Poodles” on the first devolution referendum was published when there were deep divisions in my own party. We are happy today that, in particular after the example of the Welsh football team, we are dragons led by dragons. We have the great joy of seeing the brilliant success of our footballers—the best we have ever seen. We take great pride in that. It has done so much for Wales that everyone is Welsh now. I heard someone on the radio say they owned two Bryn Terfel records and did that entitle him to call himself Welsh? It is suddenly fashionable and desirable to be Welsh. The whole world wants to be Welsh and that will bring us tangible benefits.
They had wonderful rules on the rights of women that were far in advance of anywhere else and they had practically no capital punishment. Eight hundred years later, England had 220 crimes for which people could be punished with death, including stealing from a rabbit warren and cutting down a tree. So we are building on the shoulders of the giants of the 10th century and Hywel Dda. We are a long way from it, but this is another step towards that progress.

The joint jurisdiction was based on the premise that there was a common body of law across England and Wales with a single set of administrative arrangements. That premise worked for the centuries following the Acts of Union but is now out of date. In essence, that premise is inconsistent with legislative devolution; it is simply impossible to argue for retention of the joint jurisdiction when the criminal and private law in England and Wales will increasingly diverge as a result of Assembly legislation. The starting point is that there must be robust joint arrangements between the Lord Chancellor and the Welsh Ministers to work through the issues and identify solutions, and the UK Government’s proposed official working group might add some value. In his intervention, the Secretary of State said that an invitation had been sent to the Welsh Government. I do not know about that, but we would like to see that joint working. It is certainly the desire of the Welsh Government.

Our amendments would achieve three things. First, there would be a duty on the Lord Chancellor and Welsh Ministers to keep the operation of the justice system under review, including the jurisdiction question. Secondly, they would be able to appoint an expert panel to advise them, which could be an invaluable source of legal expertise to focus on the practical issues. Thirdly, the work would have to be transparent and sustained, with an annual report laid before the National Assembly and Parliament.

The Secretary of State, like his predecessor, wants the Bill to offer a lasting settlement, and so do we, but that will not happen unless they put forward a credible and serious process for reforming the joint jurisdiction. There is a major gap in the Bill as it stands. Amendment 7 is proposed as a constructive solution that deserves cross-party support and we hope to press it to a Division.

Clause 2 provides statutory underpinning for the Sewel convention. Under our constitution, both Parliament and the Assembly can legislate for Wales on devolved matters, so it is important that there be a clear understanding between the two legislatures as to which will be the principal legislature on these matters. The convention normally resolves that issue in favour of the Assembly. Amendments 23 and 24 address that issue further. The convention also requires that if Parliament proposes to amend the legislative competence of the Assembly, that too should require the Assembly’s formal consent.

To be fair to the UK Government, they have always acknowledged that the Bill will require the Assembly’s consent if it is to proceed to Royal Assent. This is a matter not of controversy but of common sense and consensus between the parties. This aspect of the convention, however, is only set out in rather obscure terms in a devolution guidance note for civil servants. As drafted, clause 2 makes no reference to this aspect of the convention at all, so it is an incomplete statement of the real position. Clarity would be appreciated.

Amendment 4 is designed to fill that gap. It would provide a comprehensive statement of the circumstances when Assembly consent is required for parliamentary legislation. In particular, it would make it clear in the Bill that Assembly consent is required when a parliamentary Bill proposes changes to the Assembly’s legislative competence. I note that amendment 25 is broadly to the same effect. This is an important element in the Welsh devolution settlement, so clarity is required; it should not depend on what is written in devolution guidance note. I urge the Government to accept these reasonable and constructive amendments.

The Parliamentary Under-Secretary of State for Wales (Guto Bebb): I join hon. Members in welcoming the hon. Members for Newport West (Paul Flynn) and for Swansea East (Carolyn Harris) to their places on the Front Bench. I fear that I have followed the hon. Gentleman’s political career for more than 40 years, which makes me feel very old. When he was the candidate in Denbigh during the 1974 general election, my father was the election agent for Ieuan Wyn Jones, who stood for Plaid Cymru. The hon. Gentleman clearly made a huge impression on my father, who followed his career avidly, but I am surprised that as a resident of Llansannan he did not appreciate the beauty and importance of the agricultural community in the way that he perhaps should have. When my wife had a bookshop, we recommended “Dragons led by Poodles” to many of our customers. It was one of our bestsellers in the year in question, so he undoubtedly contributed to my coffers then.

On behalf of myself and the Secretary of State, may I also thank the hon. Members for Llanelli (Nia Griffith) and for Clwyd South (Susan Elan Jones) for their constructive engagement on the Bill prior to the change of guard on the Opposition Front Bench? The Bill has been brought forward in a measured way, and we have attempted at all times to have a constructive engagement with all Opposition parties. The constructive engagement we had with the hon. Member, Members for Llanelli and for Clwyd South was particularly appreciated.

I need to go through the amendments in some detail to provide reassurance where necessary and to explain the Government’s position on them. Let me deal first with amendment 17, which was tabled by the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts). This is clearly an attempt to change the place where new part 2A is inserted into the Government of Wales Act 2006. The new part inserted by clause 1 enshrines the permanence of the National Assembly for Wales and the Welsh Government and recognises the body of Welsh law. Amendment 8, which was tabled by the Opposition, would change the title of new part 2A, making it broader in scope. Amendments 17 and 8 are consequential amendments, so I shall explain the Government’s position on them when I speak to other amendments.

Amendments 18 to 22, tabled by the hon. Member for Dwyfor Meirionnydd, are designed to insert into the Government of Wales Act 2006 separate statements on the permanence of the National Assembly for Wales and of the Welsh Government. The amendments rightly recognise the importance of new part 2A in confirming without any doubt in law what is widely understood—that
the National Assembly and the Welsh Government are a permanent part of the United Kingdom's constitutional arrangements.

I pay tribute to my hon. Friend the Member for Monmouth (David T. C. Davies) and his work as Chairman of the Welsh Select Committee. I pay tribute, too, to his speech in which he highlighted the permanence of the Welsh Assembly in the UK's constitutional arrangements. I accept his argument that a majority is a majority in a democratic vote. My mother-in-law argued on Sunday that we should try to avoid the result of the EU referendum, highlighting the fact that it was a very small majority on a very small turnout, whereupon I said to her that she was of the view that the 50.3% of the people of Wales who voted for the establishment of the Welsh Assembly should be respected. I stood by the democratic principle that a majority is a majority, but it was good to hear my hon. Friend the Member for Monmouth being so clear in his view that the Assembly is part and parcel of the UK's constitutional arrangements.

It is fair to say that a great deal of consideration has been given to the content of this clause and its place in the 2006 Act, not only in the context of the draft Wales Bill, published last October, but in terms of the read-across from the Scotland Act 2016. As in the context of Scotland, I am keen to see this commitment expressed in a single clause to reflect the fact that the Assembly and the Welsh Government belong together as a part of the UK's constitutional arrangements. I would, however, like to give further consideration to the most appropriate place to insert new section 92A in the Government of Wales Act 2006.

I shall deal next with amendments 5, 7, 9 and 10, which amend new clause 92B on the recognition of Welsh law. In its second report, published in March 2014, the Silk commission recommended that there “should be further administrative devolution in the court system”, and it specifically provided for devolution in respect of the various divisions of the High Court, which should sit in Wales on a regular basis to hear cases—other than highly specialist cases—that arise in Wales. The commission stated that a High Court office should be established in Wales to co-ordinate High Court sittings in Wales; that the divisions of the Court of Appeal should continue to sit in Wales on a regular basis to hear cases that arise in Wales; and that High Court and Court of Appeal judges should be allocated to sit in Wales only if they satisfy the Lord Chief Justice that they understand the distinct requirements of Wales.

I am pleased to be able to state clearly from the Dispatch Box today, after the events of the last few weeks and the EU referendum, that the Labour party's 2015 election manifesto pledged to take forward proposals from the Silk commission to extend the power of the people of Wales over matters such as elections, transport and energy—all dealt with in this Bill—but it did not propose devolving justice to Wales. Looking at the result of the 2015 general election, it is difficult to argue that there is a majority to move forward on that issue. The votes gathered by the Labour party and the party I represent in 2015 suggest that majority opinion in Wales is firmly behind the proposals in this Wales Bill.

Jonathan Edwards: There has, of course, been a material change in conditions, following the events of the last few weeks and the EU referendum. From our perspective, we just want to get the Bill on the statute book, so that we can move on to the next big debate about the future of our country. Is the Minister seriously saying from the Dispatch Box today, after the events of the last few weeks, with Scottish independence imminent in the next few years and with Irish unification never being closer since Lloyd George decided to split that country in two, that this Bill will hold Wales together for the next generation?

Guto Bebb: The hon. Gentleman is a passionate speaker and a strong advocate for his position. In a debate in Westminster Hall this morning, however, I warned of the dangers of creating history as we want to believe it to happen. I am not as yet convinced that there is enough evidence to suggest that Scotland is imminently about to leave the United Kingdom—[Interruption.] I am not convinced. There was a referendum two years ago that provided a fairly clear result. I think it would therefore be inappropriate to legislate on the basis of the wish list of the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards)—much as I enjoy that wish list and the passion with which it is articulated.

The Government are fully committed to maintaining the single legal jurisdiction of England and Wales. It has served Wales very well. It is also our firm view that it is the most effective, efficient and consistent way to deliver justice. The issues raised by the hon. Member for Torfaen (Nick Thomas-Symonds) highlighted some of the complexities that would be created if we moved away from that single jurisdiction at this point in time. The vast majority of law is not devolved, so there is no justification for a separate jurisdiction that would create significant upheaval and huge costs. It is worth highlighting that cost issues cannot be swept under the carpet. There would be a cost implication with very little benefit. I wonder whether Plaid Cymru Members have carried out a cost-benefit assessment to weigh up the benefits and the costs that would be incurred.

Amendment 5 envisages separate legal and court jurisdictions, administered by a common judiciary and court staff. It is designed to provide clarity, but I am not sure that it would. I think it would create more confusion, having the opposite effect—a point made by the hon.
Member for Cardiff West (Kevin Brennan). The same people would be charged with administering two separate legal regimes where there is currently a commonality of law and procedure. This would have downstream consequences and it would impact on how the legal system works. It is difficult to justify such an impact on the basis of the current body of Welsh law.

We have heard the argument that the situation in Scotland and Northern Ireland is simpler because they have separate legal jurisdictions. I expected to hear that argument, but it ignores the historical reality that there has—there always has been—for that matter—a separate Scottish legal jurisdiction. I have engaged previously with the hon. Member for Carmarthen East and Dinefwr on the laws of Hywel Dda, who is rightly remembered for the legal system he put in place.

David T. C. Davies: Does the Minister also accept that Hywel Dda was very well known for the importance he placed on working with the English Government at the time, particularly with Edward the Elder and Athelstan? Is there not a great lesson for all of us here in terms of co-operation with the Welsh Assembly?

Guto Bebb: I appreciate that there are quite a few experts on Hywel Dda in this place. It is certainly the case that he took a co-operative approach. As I said previously in a debate with the hon. Member for Carmarthen East and Dinefwr, Hywel Dda was perhaps very different to what we would like to see, but he respected how Wales was price in the kingdom. So perhaps he was not perfect.

Let me return to the serious issue of the separate legal entity. I think that, for all the talk of Hywel Dda, it would be a mistake to ignore the historical context. We are where we are. We legislate not in terms of what we would like to see, but in terms of what is practical and what is right at this point in time, and I think that the Bill has struck the right balance in that respect.

We recognise the validity of some of the points that were raised during pre-legislative scrutiny. Wales has a distinctive legal identity. It has two legislatures, and a growing body of law made by the Assembly and Welsh Ministers. The Bill recognises that, and there is clearly a need to ensure that it does so in the context of maintaining the single jurisdiction of England and Wales. Our position is clear: we are recognising reality in the context of a system that currently works very well for Wales and the United Kingdom.

Amendments 7 and 9 call for the Lord Chancellor and Welsh Ministers to keep under review the functioning of the justice system in relation to Wales, including the question of whether the single legal jurisdiction should be separated into a jurisdiction for Wales and a jurisdiction for England. The case for that was argued by the hon. Members for Torfaen and for Newport West.

This is an important issue, and it should be considered carefully. The St David’s day process considered the position for and against devolving justice, and ultimately found no consensus in favour of implementing the Silk commission’s recommendations. As I have said, the Government firmly believe that the most effective, efficient and consistent way to administer justice is under a single legal jurisdiction.

Despite the devolution of powers to Wales, under this Bill and the Government of Wales Acts before it, and despite the increasing amount of legislation made by the Assembly, the vast majority of laws apply equally across England and Wales, and will continue to do so. The Government therefore pledged to continue to reserve justice and policing in their election manifesto, as I mentioned earlier. However, I agree with the principle that the functioning of the justice system must be kept under review, especially given the continuing divergence in law to which I have referred.

It is for that very reason that my right hon. Friends the Justice Secretary and the Secretary of State for Wales have established a working group to consider the administrative changes needed to meet the administrative and operational demands of diverging legislation in a Welsh context. The group will represent the key areas affected by the changing legislative Welsh landscape, and will consider a range of circumstances affecting the operation of justice in Wales. I can tell the hon. Member for Ceredigion (Mr Williams), who raised the point in his speech, that the Welsh Government have been invited to be represented on the group, but the invitation was issued to officials in that Government, so there should be no condemnation of any political forces—any Ministers—in the Assembly. We expect a positive response to the invitation.

Mr Mark Williams: Will the Minister clarify—I am sure that he is on the verge of doing so—the time frame for the joint working group? I understood that it would conclude its work in the autumn. The amendment proposes a real review over a lengthier period as the divergence between Welsh and English legislation becomes a reality.

Guto Bebb: It is currently envisaged that the group will report in the autumn, and, as things stand, that is its aim. I hope that that satisfies the hon. Gentleman, at least in terms of clarity.

It is important to understand what the group will and will not do. It will consider the administrative and operational implications of a shared but single legal jurisdiction, but it will not discuss broader constitutional questions such as whether there should be a separate jurisdiction. The Government’s view is clear: the single legal jurisdiction of England and Wales is the most effective, efficient and consistent way to deliver justice. I hope that provides the clarity for which Members have been asking.

Amendment 10 seeks to omit subsection (2) of the proposed new section 92B of the Government of Wales Act. Subsection (2) recognises that a body of Welsh law made by the Assembly and by Welsh Ministers forms part of the single legal jurisdiction of England and Wales, while giving due regard to the boundaries of competence set out in the Bill. It is important for the Assembly to have full and effective powers to enforce its legislation on devolved matters, and in order to achieve that, a growing body of distinct law will necessarily continue to be made by the Assembly and Welsh Ministers.

The Bill provides for that throughout. In particular, paragraphs 3 and 4 of new schedule 7B, which schedule 2 inserts into the Government of Wales Act and which the Committee will debate next week, make it clear that the Assembly may modify the private law for a devolved purpose, and that only certain core elements of the
criminal law are outside its competence. Those elements are listed in paragraph 4 of the new schedule. The Assembly will, for example, be able to create and modify offences when they are for the purpose of enforcing devolved provisions.

Subsection (2) of new section 92B is intended to be helpful, explaining that the purpose of the provision is to recognise the ability of the Assembly and Welsh Ministers to make laws forming part of the unified legal system of England and Wales. The new section constitutes a declaratory statement, and does not bestow any further powers on the Assembly than are provided for elsewhere in the Bill. It is, however, important in that it enables the contribution made by the Assembly and Welsh Ministers to the law of England and Wales to be recognised for the first time, while having due regard to the other provisions in the Bill. Subsection (2) is required to clarify that the statement must be considered in the context of the rest of the Bill. Without it, there might be uncertainty about the meaning of subsection (1).

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): So that the public can understand the divergence that has, to a limited degree, taken place so far, will the Minister tell us what proportion of the current law he considers to be distinctly Welsh, as opposed to England and Wales law? May we, in future, be given a regular update on that distinction, so that ordinary people understand where the law is diverging?

Guto Bebb: That is a good question, because it highlights the importance of ensuring that people in Wales understand where law is made. The percentage of Welsh law is currently tiny by comparison with the overall impact of the law on those people, but I think we should keep an eye on the position.

Clause 1 sets the scene for the new model of Welsh devolution that is presented in the Bill. It inserts a new part 2A into the Government of Wales Act, ensuring that, for the first time, the permanence of the National Assembly for Wales and the Welsh Government is confirmed. It recognises both as a permanent element of the United Kingdom’s constitutional arrangements, and as part and parcel of our nation’s constitutional fabric, and reflects the importance of the National Assembly and the Welsh Government to political life in Wales.

The Silk commission recommended that it be recognised that the National Assembly for Wales is permanent for as long as that is the will of the majority of people in Wales. In the St David’s day agreement, the Government gave an undertaking to enshrine that commitment in legislation, which we are delivering in clause 1; we did the same for the Scottish Parliament and the Scottish Government in the Scotland Act 2016. I think it fair to say that most Members welcome that certainty.

New section 92A also provides that the Assembly and the Welsh Government are not to be abolished except on the basis of a decision by the people of Wales voting in a referendum. I hope that such a referendum will not be forthcoming, but I think it important to recognise that the decision on whether we have a Welsh Assembly and a Welsh Government is a decision for the people of Wales, to be made by them.

New section 92B underpins the commitment to permanence by recognising that there is a body of Welsh law made by the Assembly and Welsh Ministers that forms part of the law of England and Wales. It is important that we recognise that in statute—which we are doing for the first time—while also recognising the elements that are common to England and Wales. Clause 1 is a declaratory statement, but its recognition of the contribution made by the Assembly and Welsh Ministers to the law of England and Wales is important none the less. Meanwhile, the Justice in Wales working group of officials that I mentioned earlier will consider what changes are necessary to reflect the distinctiveness of Wales within the administrative arrangements for justice, and, as I have said, I expect a report in the autumn.

Amendment 23, tabled by the hon. Member for Dwyfor Meirionnydd, seeks to broaden the scope of the commitment given in relation to the convention about Parliament’s legislating on devolved matters by removing the word “normally”. The commitment in clause 2 that Parliament will not normally legislate with regard to devolved matters without the consent of the Assembly reflects the current convention on legislative consent. We gave a commitment to put that convention on a statutory footing in the St David’s day agreement, and that is what clause 2 does. The clause is also in line with the provision made in relation to the Scottish Parliament in the Scotland Act 2016. Since the convention was established, a legislative consent motion has always been sought before Parliament has passed legislation for Wales in relation to devolved matters. This is part of the normal working arrangements between the UK Government and the Welsh Government and we expect it to continue, but to remove “normally” from the clause would fundamentally change the convention. The “not normally” element of both the convention and clause is essential as it acknowledges parliamentary sovereignty and, within the clause, signals to the courts that this clause is not intended to be subject to adjudication.

2.30 pm

Clause 2 implements a Silk commission recommendation and a St David’s day commitment. The Government have no plans to broaden that commitment.

Amendment 3 from the hon. Member for Ceredigion (Mr Williams), amendment 24 from the hon. Member for Dwyfor Meirionnydd, amendment 4 from the hon. Member for Ceredigion and amendment 25 from the hon. Member for Dwyfor Meirionnydd seek to define the conditions Parliament would have to satisfy to legislate without the consent of the Assembly. Amendment 24 would provide for an exception to the convention on legislative competence by setting out the circumstances in which Parliament could legislate with regard to devolved matters without the consent of the Assembly.

The convention deliberately does not define those circumstances. Parliament is sovereign, so both the Assembly and Parliament can legislate for devolved matters. Defining the instances in which Parliament can legislate for devolved areas would drive a coach and horses through this underpinning principle of devolution. We are talking about a measure that is devolving power, so that principle is important and needs to be retained.

There are occasions when it makes sense for Parliament to legislate in relation to matters devolved to the Assembly, and since the convention was established a legislative
consent motion has always been sought before Parliament passes legislation for Wales in relation to devolved matters.

Amendments 3 and 4 seek to define the term “devolved matters” more specifically and more broadly than the current convention. That would, for example, also include Executive functions of Welsh Ministers, some of which are conferred in relation to reserved matters, so it could be problematic for those amendments to be supported. Under the current convention the UK Government will seek the Assembly’s consent when Parliament legislates on matters within the legislative competence of the Assembly. If parliamentary legislation seeks to amend a function of Welsh Ministers that is outside the legislative competence of the Assembly, the UK Government normally need only seek the consent of Welsh Ministers. The Silk commission made no recommendation to extend the convention in this regard. In view of the fact that the hon. Member for Ceredigion described the Silk commission as his bible, I think he should take note of that point.

Assembly Standing Orders already require Welsh Ministers to notify the Assembly in a written statement about provisions in parliamentary Bills that have a significant impact on Welsh Ministers’ functions. It is right that that is a matter for the Assembly and Welsh Ministers, and I see no reason to change the convention clause 2 enshrines.

In the St David’s day agreement we committed to placing the convention on legislative consent on a statutory footing in the same manner as we have done for the Sewel convention in the Scotland Act 2016. Clause 2 inserts section 107(6) into the Government of Wales Act 2006 to reflect in statute the political understanding that already exists. The practice of obtaining the consent of the Assembly is well-established: a legislative consent motion is always sought before Parliament passes legislation for Wales that we consider is within the Assembly’s legislative competence. This has long been part of the normal working arrangements between the UK and Welsh Government and I fully expect this to continue. We will of course be issuing updated guidance to UK Government Departments to reflect the reserved powers model well before the new model is implemented.

One of the key aims underpinning the Wales Bill is to deliver much needed clarity to the Welsh devolution settlement. The provisions in clause 4 are important in delivering that aim. The clause helps to draw a clear devolution boundary between what is reserved and what is devolved by defining clearly which public authorities are devolved and accountable to the Assembly and Welsh Ministers. Clause 4(1) inserts new section 157A into the Government of Wales Act 2006 to introduce devolved public authorities as “Wales public authorities”. All other public authorities are reserved authorities.

New section 157A(1) explains that Wales public authorities are those that meet conditions in new section 157A or those listed in new schedule 9A to the 2006 Act, inserted by schedule 4 to the Bill. The first condition in new section 157A(2) limits Wales public authorities to those bodies exercising functions only in relation to Wales. But there needs to be some flexibility in this rule because the Assembly can legislate in an ancillary way in relation to England, and can impose functions on devolved bodies in relation to England.

Subsection (3) makes it clear that such functions should be ignored in categorising a body as a Wales public authority. This flexibility ensures that devolved bodies—for instance, Natural Resources Wales—and regulation and inspection bodies for some devolved services can exercise some functions in England and still be Wales public authorities.

The second condition requires Wales public authorities to exercise functions that are not wholly or mainly reserved functions. Again this provides flexibility to ensure that devolved bodies with some reserved functions, like local authorities in Wales, can be Wales public authorities.

New section 157A(5) provides an order-making power to modify the list of Wales public authorities in new schedule 9A. An order is subject to scrutiny by both Houses of Parliament and the Assembly—which I think is a pretty good safeguard.

Clause 4 provides a clear separation between devolved and reserved bodies by defining the former as Wales public authorities and listing those authorities on the face of the Bill. It meets a key recommendation in the Welsh Affairs Committee’s pre-legislative scrutiny report.

Amendments 26 and 27 seek to expand the list of Wales public authorities in schedule 4 to the Bill to include the National Assembly for Wales Commissioner for Standards and the National Assembly for Wales Remuneration Board. The standards commissioner does important work as an independent authority appointed by the Assembly to safeguard standards and to address the public’s concerns. The Remuneration Board does similarly important work in ensuring that Assembly Members have the right resources to do their jobs properly. The provisions in clause 4, along with schedule 4, are intended clearly to define which public authorities are devolved and therefore which are reserved.

I understand that the Assembly’s Presiding Officer would like both these bodies included in the list of Wales public authorities for reasons of clarity. I would like to take some time to consider the categorisation of both bodies further and return to this matter on Report. That is not a rejection of the amendments, but we do need more time to consider the impact on the definition we have created in this measure. I hope that, in the spirit of that comment, the hon. Member for Dwyfor Meirionnydd will withdraw those amendments.

One of the Government’s key aims for this Bill is to deliver much needed clarity to the Welsh devolution settlement. Schedule 4 is important in delivering this aim, listing Wales public authorities to provide absolute clarity about those authorities that are accountable to the Assembly and Welsh Ministers. The Welsh Affairs Committee highlighted this as being needed in defining public authorities in this Bill, and I hope this revised Bill has delivered that clarity.

As the Government set out in our response to the Committee, we fully accept its conclusion that a list of reserved authorities would be long, and so the Bill includes a list of Wales public authorities that is far shorter and much easier to use, and which provides the clarity that was requested.

I therefore propose that clauses 1 to 4 and schedule 4 stand part of the Bill, and urge Opposition Members to withdraw their amendments.

Liz Saville Roberts: I am very grateful for the opportunity to close this debate, Sir Alan. I will restrict my comments to amendments 5 and 7 on jurisdiction, although I...
appreciate the comments the Under-Secretary made about the areas that he will reconsider. I intend to withdraw amendment 17 and to divide the Committee only on amendment 5.

In my opening speech, I referred to the arguments about divergence that are made against separate legal jurisdictions, but the overriding need to maintain a single legal jurisdiction leads to many of the complications and areas that cause a lack of clarity in the Bill.

Other issues were raised during the debate. The hon. Member for Torfaen (Nick Thomas-Symonds) made much of somewhat speculative cross-border cases. It is evident that Hadrian’s wall is no more a barrier to the functioning of law in the United Kingdom now than Offa’s Dyke would be in the future. It is effectively an argument for the right of Welsh lawyers to practise in Bristol, which is a very worthy cause but not what we are here to discuss.

Nick Thomas-Symonds: It was not so much speculation as experience that I was drawing upon. My point was not about lawyers, but about the uncertainty that would be created for my constituents and others by such cross-border cases if there were different jurisdictions.

Liz Saville Roberts: That very question is dealt with across the land border between Scotland and England. There is also a tradition in respect of Scotland and Northern Ireland.

I felt that Labour was almost clutching at straws to find ways to disagree with what Plaid Cymru was proposing. Indeed, our amendment 5 uses the very words proposed by the Labour Welsh Government.

I reiterate what the hon. Member for Ceredigion (Mr Williams) said: the issue of jurisdiction will not go away and we will continue discussing it in the future. It is an argument about gradualism that we have here today. We know that a separate body of Welsh law is developing, and as the Welsh Assembly matures, that body will grow. These questions cry out for an answer in the shorter term, rather than this piecemeal approach.

In closing, the historical realities of Northern Ireland and Scotland are indeed different from that of Wales, but we are making the historical reality of Wales today in this Committee and we should be proud of what we achieve. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: 5, page 2, leave out lines 1 to 6 and insert—

**“PART 2B**

**SEPARATION OF THE LEGAL JURISDICTION OF ENGLAND AND WALES**

**Introductory**

92B New legal jurisdictions of England and of Wales

The legal jurisdiction of England and Wales becomes two separate legal jurisdictions, that of England and that of Wales.

**Separation of the law**

92C The law extending to England and Wales

(1) All of the law that extends to England and Wales—

(a) except in so far as it applies only in relation to Wales, is to extend to England, and

(b) except in so far as it applies only in relation to England, is to extend to Wales.

(2) In subsection (1) “law” includes—

(a) rules and principles of common law and equity,

(b) provision made by, or by an instrument made under, an Act of Parliament or an Act or Measure of the National Assembly for Wales, and

(c) provision made pursuant to the prerogative.

(3) Any provision of any enactment or instrument enacted or made, but not in force, when subsection (1) comes into force is to be treated for the purposes of that subsection as part of the law that extends to England and Wales (but this subsection does not affect provision made for its coming into force).

**Separation of the Senior Courts**

92D Separation of Senior Courts system

(1) The Senior Courts of England and Wales cease to exist (except for the purposes of section 6) and there are established in place of them—

(a) the Senior Courts of England, and

(b) the Senior Courts of Wales.

(2) The Senior Courts of England consist of—

(a) the Court of Appeal of England,

(b) the High Court of England, and

(c) the Crown Court of England, each having the same jurisdiction in England as is exercised by the corresponding court in England and Wales immediately before subsection (1) comes into force.

(3) The Senior Courts of Wales consist of—

(a) the Court of Appeal of Wales,

(b) the High Court of Wales, and

(c) the Crown Court of Wales, each having the same jurisdiction in Wales as is exercised by the corresponding court in England and Wales immediately before subsection (1) comes into force.

(4) For the purposes of this Part—

(a) Her Majesty’s Court of Appeal in England is the court corresponding to the Court of Appeal of England and the Court of Appeal of Wales,

(b) Her Majesty’s High Court of Justice in England is the court corresponding to the High Court of England and the High Court of Wales, and

(c) the Crown Court constituted by section 4 of the Courts Act 1971 is the court corresponding to the Crown Court of England and the Crown Court of Wales.

(5) References in enactments or instruments to the Senior Courts of England and Wales have effect (as the context requires) as references to the Senior Courts of England or the Senior Courts of Wales, or both; and

(6) References in enactments or instruments to Her Majesty’s Court of Appeal in England, Her Majesty’s High Court of Justice in England or the Crown Court constituted by section 4 of the Courts Act 1971 (however expressed) have effect (as the context requires) as references to either or both of the courts to which they correspond.

92E The judiciary and court officers

(1) All of the judges and other officers of Her Majesty’s Court of Appeal in England or Her Majesty’s High Court of Justice in England become judges or officers of both of the courts to which that court corresponds.

(2) The persons by whom the jurisdiction of the Crown Court constituted by section 4 of the Courts Act 1971 is exercisable become the persons by whom the jurisdiction of both of the courts to which that court corresponds is exercisable; but (despite section 9(2) of the Senior Courts Act 1981)—

(a) a justice of the peace assigned to a local justice area in Wales may not by virtue of this subsection exercise the jurisdiction of the Crown Court of England, and
(b) a justice of the peace assigned to a local justice area in England may not by virtue of this subsection exercise the jurisdiction of the Crown Court of Wales.

92F Division of business between courts of England and courts of Wales

(1) The Senior Courts of England, the county courts for districts in England and the justices for local justice areas in England have jurisdiction over matters relating to England; and (subject to the rules of private international law relating to the application of foreign law) the law that they are to apply is the law extending to England.

(2) The Senior Courts of Wales, the county courts for districts in Wales and the justices for local justice areas in Wales have jurisdiction over matters relating to Wales; and (subject to the rules of private international law relating to the application of foreign law) the law that they are to apply is the law extending to Wales.

92G Transfer of current proceedings

(1) All proceedings, whether civil or criminal, pending in any of the Senior Courts of England and Wales (including proceedings in which a judgment or order has been given or made but not enforced) shall be transferred by that court to whichever of the courts to which that court corresponds appears appropriate.

(2) The transferred proceedings are to continue as if the case had originated in, and the previous proceedings had been taken in, that other court. —[Liz Saville Roberts.]

This amendment replaces the Bill’s proposed recognition of Welsh law with provisions to separate the legal jurisdictions of England and of Wales, as drafted by the Welsh Government.

Question put, That the amendment be made.

The Committee divided: Ayes 41, Noes 270.

Division No. 31 [2.41 pm]

AYES

Ahmed-Sheikh, Ms Tasmina
Bardell, Hannah
Blackford, Ian
Blackman, Kirsty
Boswell, Philip
Brown, Alan
Chapman, Douglas
Cherry, Joanna
Cowan, Ronnie
Crawley, Angela
Day, Martyn
Docherty-Hughes, Martin
Edwards, Jonathan
Gethins, Stephen
Gibson, Patricia
Grady, Patrick
Gray, Neil
Hendry, Drew
Heron, Lady
Hosie, Stewart
Kerevan, George
MacNeil, Mr Angus
Mc Nally, John

McCaig, Callum
McDonald, Stuart C.
Monaghan, Carol
Monaghan, Dr Paul
Mullin, Roger
Newlands, Gavin
Paterson, Steven
Ritchie, Ms Margaret
Roberson, rh Angus
Saville Roberts, Liz
Sheppard, Tommy
Stephens, Chris
Theвлiss, Alison
Thomson, Michelle
Weir, Mike
Whitford, Dr Eilidh
Williams, Hywel

Tellers for the Ayes:
Owen Thompson and Cahun Kerr

NOES

Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Ansell, Caroline
Argar, Edward
Atkins, Victoria
Baker, Mr Steve
Berry, James
Bingham, Andrew
Blackman, Bob
Blackwood, Nicola
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Borwick, Victoria
Bottomley, Sir Peter
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, rh James
Buckland, Robert
Burns, Conor
Burrowes, Mr David
Burt, rh Alistair
Cairns, rh Alun
Carmichael, Neil
Cartlidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Churchill, Jo
Clarke, rh Mr Kenneth
Cleverly, James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colville, Oliver
Costa, Alberto
Cox, Mr Geoffrey
Crabb, rh Stephen
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Dr James
Davies, Mims
Davis, rh Mr David
Djungly, Mr Jonathan
Double, Steve
Dowden, Oliver
Dyke-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Elliott, Tom
Ellis, Michael
Ellison, Jane
Elwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evernett, rh Mr David
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Fox, rh Dr Liam
Frazer, Lucy
Freeman, George
Fuller, Richard
Fysh, Marcus
Gale, Sir Roger
Garnier, Mark
Gauge, Mr David
Ghani, Nusrat
Gibb, Mr Nick
Glen, John

Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Chris
Green, rh Damian
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matthew
Harper, rh Mr Mark
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Holloboone, Mr Philip
Hopkins, Kris
Howell, John
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
Jenrick, Robert
Johnson, Boris
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Kennedy, Seema
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lancaster, Mark
 Leadsom, Andrea
Lee, Dr Philip
Leigh, Sir Edward
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lopresti, Jack
Loughton, Tim
Lumley, Karen
Mackinlay, Craig
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
Maynard, Paul
McCARTNEY, Jason
McCARTNEY, Karl
McLoughlin, rh Mr Patrick
McPARTLAND, Stephen
MENZIES, Mark
Mercer, Johnny
(b) the need to treat the Welsh and English languages on the basis of equality, and
(c) any other circumstances in Wales affecting operation of the justice system.

(4) The Lord Chancellor and the Welsh Ministers may appoint a panel to advise them on the exercise of their functions in this section.

(5) The Lord Chancellor must make an annual report on the functioning of the justice system in relation to Wales to the Welsh Ministers.

(6) The Welsh Ministers must lay the report before the Assembly.

(7) The Lord Chancellor must lay the report before both Houses of Parliament.”—[Paul Flynn.]

The provision in the Bill recognises the existence of a body of Welsh law made by the Assembly and the Welsh Ministers. The new subsections to be inserted after that provision by this amendment require the Secretary of State to keep the justice system as it applies in relation to Wales under review with a view to its development and reform, having regard in particular to divergence in the law as between England and Wales.

Question put, That the amendment be made.

The Committee divided: Ayes 217, Noes 274.

Division No. 32

<table>
<thead>
<tr>
<th>AYES</th>
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<tr>
<td>Ahmed-Sheikh, Ms Tasmina</td>
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<td>Alexander, Heidi</td>
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<td>Allen, Mr Graham</td>
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<td>Allin-Khan, Dr Rosena</td>
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<td>Clwyd, rh Ann</td>
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<td>Coyle, Neil</td>
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<td>Crawley, Angela</td>
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Tellers for the Noes:
Simon Kirby and
Margot James
Onwurah, Chi
Owen, Albert
Paterson, Steven
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Pound, Stephen
Powell, Lucy
Pugh, John
Qureshi, Yasmin
Rayner, Angela
Reed, Mr Jamie
Rees, Christina
Reynolds, Jonathan
Rimmer, Marie
Ritchie, Ms Margaret
Robertson, rh Angus
Robinson, Mr Geoffrey
Rotheram, Steve
Saville Roberts, Liz
Sheerman, Mr Barry
Sheppard, Tommy
Sherriff, Paula
Smith, Mr Ruth
Smith, rh Mr Andrew
Smith, Angela
Smith, Cat
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Stephens, Chris
Stevens, Jo
Streeting, Wes
Stringer, Graham
Stuart, rh Ms Gisela
Tami, Mark
Thewlis, Alison
Thomas, Mr Gareth
Thomas-Symonds, Nick
Thompson, Owen
Thomson, Michelle
Thornberry, Emily
Timms, rh Stephen
Turley, Anna
Turner, Karl
Twigg, Derek
Umunna, Mr Chuka
Vaz, Valerie
Weir, Mike
West, Catherine
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Whitford, Dr Philippa
Williams, Hywel
Williams, Mr Mark
Wilson, Phil
Winnick, Mr David
Winterton, rh Dame Rosie
Woodcock, John
Wright, Mr Iain
Zeichner, Daniel

Andrew, Stuart
Ansell, Caroline
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Bellingham, Sir Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Berrry, James
Bingham, Andrew
Blackman, Bob
Blackwood, Nicola
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Borwick, Victoria
Bottomley, Sir Peter
Brazier, Mr Julian
Bridge, Andrew
Brine, Steve
Brokenshire, rh James
Buckland, Robert
Burns, Conor
Burrowes, Mr David
Burt, rh Alistair
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Carmichael, Neil
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Coffey, Dr Thérése
Collins, Damian
Colville, Oliver
Costa, Alberto
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glynn
Davies, Dr James
Davies, Mims
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Elliott, Tom
Ellis, Michael
Ellison, Jane
Elliwood, Mr Tobias
Elphicke, Charlie

Eustice, George
Evans, Graham
Evannett, rh Mr David
Fernandes, Suella
Foster, Kevin
Fox, rh Dr Liam
Frazer, Lucy
Fremantle, George
Fuller, Richard
Fysh, Marcus
Gale, Sir Roger
Garnier, Mark
Gauke, Mr David
Ghani, Nusrat
Gibb, Mr Nick
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Govt, rh Michael
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Chris
Green, rh Damian
Grieve, Mr rh Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matthew
Harper, rh Mr Mark
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Hopkins, Kris
Howell, John
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
Jenrick, Robert
Johnson, Boris
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Kennedy, Seema
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lancaster, Mark
Leadsom, Andrea
Lee, Dr Phillip
Leigh, Sir Edward
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian

NOES
Allen, Heidi
Amess, Sir David

Aldous, Peter
Allan, Lucy

Wales Bill
5 JULY 2016
Wales Bill
Clause 5

POWER TO MAKE PROVISION ABOUT ELECTIONS

Question proposed, That the clause stand part of the Bill.

The Temporary Chair (Sir Alan Meale): With this it will be convenient to discuss the following:

Amendment 28, in clause 6, page 7, line 2, leave out paragraph (b) and insert—

“(b) for ‘The Secretary of State may by order provide for the poll at an ordinary general election to be’ substitute ‘The Presiding Officer may propose that the poll at an ordinary general election is’.”

The Bill as drafted transfers the power to vary the date of an ordinary general election from the Secretary of State to Welsh Ministers. The amendment transfers the power to the Presiding Officer of the National Assembly for Wales.

Amendment 29, page 7, line 2, at end insert—

“(7A) Leave out subsection (2) and insert—

(2) If the Presiding Officer makes a proposal under subsection (1), Her Majesty may by proclamation under the Welsh Seal—

(a) dissolve the Assembly,

(b) require the poll at the election to be held on the day proposed, and

(c) require the Assembly to meet within the period of fourteen days beginning immediately after the day of the poll.”

The amendment insertions provision for the arrangements for varying the date of an ordinary general election. The amendment also extends from seven to fourteen days the period within which the Assembly is required to meet following the day of a poll.

Amendment 30, page 7, line 2, at end insert—

“(7B) In subsection (4) for ‘An order under this section may’ substitute ‘If the Presiding Officer makes a proposal under subsection (1), the Welsh Ministers may by order’.”

The amendment replicates existing provisions in the Government of Wales Act 2006 with a modification resulting from the transfer of the power to vary the date of an ordinary general election to the Presiding Officer.

Amendment 31, page 7, line 6, at end insert—

“(10A) Section 5 of the Government of Wales Act 2006 (Extraordinary general elections) is amended as set out in paragraphs (a) to (d)—

(a) In subsection (1) for “Secretary of State” substitute ‘Presiding Officer’.

(b) In subsection (4) for “Secretary of State” substitute ‘Presiding Officer’.

(c) In subsection (4) for ‘Order in Council’ substitute ‘proclamation under the Welsh Seal’.

(d) In subsection (4) for ‘seven’ substitute ‘fourteen’.”

The amendment inserts a new provision transferring the power to propose the date of an extraordinary general election from the Secretary of State to the Presiding Officer. The amendment also extends from seven to fourteen days the period within which the Assembly is required to meet following the day of a poll.

Clauses 6 and 7 stand part.

The Parliamentary Secretary, Cabinet Office (John Penrose): Clauses 5 to 7 deal with elections to the Assembly and local government elections in Wales. Clause 5 concerns the power to make provision about Welsh Assembly elections. It flows from the St David’s day agreement, which states that powers relating to elections to the National Assembly for Wales should be devolved. Essentially, the clause gives Welsh Ministers an order-making power to make provision about the
conduct of Welsh Assembly elections. It also gives the Secretary of State, subject to the agreement of Welsh Ministers, the power to make regulations to combine the polls at Welsh Assembly elections with UK parliamentary elections and in theory—this will not matter much in future—with European parliamentary elections, too.

Clause 5 substitutes section 13 of the Government of Wales Act with a proposed new section 13. It broadly transfers to Welsh Ministers the power exercised by the Secretary of State to make provision by order about the conduct of Welsh Assembly elections. The new section provides that the powers of Welsh Ministers are aligned with the legislative competence of the Welsh Assembly. It also sets out the scope of the order-making power and makes it clear that it enables provision to be made on a number of matters, including the registration of electors and the limits of election expenses for individual candidates. It also allows Ministers to combine polls: when more than one poll is held on the same day, they will decide how the polls will be administered.

The clause also devolves matters relating to the allocation of regional members at an election, the process for challenging an election and what should happen if there is a vacancy in the Assembly. It also inserts a new section 13A into the 2006 Act that gives the Secretary of State the equivalent power to combine polls at Welsh Assembly elections with UK parliamentary elections and European parliamentary elections. For example, an extraordinary general election for the Assembly could be held on the same day as a general election for the UK Parliament. The exercise of this power by the Secretary of State will be subject to the agreement of Welsh Ministers and subject to the affirmative resolution procedure here in the UK Parliament.

Clause 6 concerns the timing of elections in Wales and implements the St David’s day agreement, which states that while conduct of Assembly elections and local government elections in Wales should be devolved, the Assembly should not be able to decide to hold its elections on the same day as general elections to the UK Parliament, the European Parliament or local government elections in Wales. This aspect of the administration and conduct of Assembly and local elections will therefore remain reserved to the UK Parliament.

By way of background, to date, each general election that has been held to the Assembly—there have been five in total—has been held in a different year from ordinary local elections in Wales. Further, the Wales Act 2014 amended section 3 of the Government of Wales Act 2006 so that ordinary general elections to the Assembly are now held every five years rather than every four. This, and the provision in the Fixed-terms Parliaments Act 2011, which it superseded, avoided the Assembly general election and the UK parliamentary general election clashing in 2015 and will avoid such a clash in 2020, as the next ordinary general election to the Assembly is now scheduled to be in 2021.

The next scheduled local elections in Wales are due to be held in 2017. The Local Authority Elections (Wales) Order 2014, made by Welsh Ministers, provided for the local government election date to be moved by one year in order to avoid a clash with the Assembly election. The clause says that in the event of a clash, Welsh Ministers can make an order specifying the alternative day on which the poll of the ordinary Welsh Assembly general election shall be held. It also transfers the existing power of the Secretary of State to move the date of an Assembly ordinary general election by up to one month to Welsh Ministers, and that where this power is exercised, that new date cannot fall on the same date as a UK parliamentary general election or European parliamentary election.

The clause also includes provisions that prevent local government elections in Wales from being held on the same day as an Assembly general election. If there is a clash, Welsh Ministers can make an order specifying the alternative day for the local government election to be held.

Clause 7 ensures co-operation between Welsh Ministers and UK Ministers over the online individual electoral registration digital service for Assembly elections and local government elections in Wales. The Assembly is free to decide on a franchise and a registration process for these elections, but as a practical matter, where the Welsh Government wants changes to the GB-wide Digital Service, they will need the approval of UK Government Ministers to do so.

Stephen Doughty: To clarify, if Assembly Ministers have the ability to change the provisions about the registration of electors and potentially to move to an automatic system of registration, which ensures that we have people registered, unlike the current system, how will that work with future UK parliamentary elections or other elections? Will they then be using the system that the Welsh Ministers have decided on or will there be a different register for those elections?

John Penrose: As the hon. Gentleman will be aware, we already run two very heavily overlapping but subtly different electoral registers for local council elections and parliamentary elections. There are different qualifications. For example, an EU national who currently lives in a British city might be eligible to vote in a local council election and not in a UK parliamentary election, so we have two heavily overlapping but not identical registers. The same applies to Scottish parliamentary elections to Holyrood. That will continue, and should the Cardiff Assembly decide that it wants to change things in some way it will have the competence to do so for the electoral roll for Cardiff Assembly elections, but it will not have the competence to change the registration process or scope for UK parliamentary elections as that is a reserved matter to be decided in this place. I hope that clarifies things for the hon. Gentleman.

3.15 pm

Stephen Doughty: It helps to clarify things in one respect, but does the Minister not accept that there could end up being a very significant discrepancy in the numbers registered for an Assembly election versus a UK parliamentary election? The public do not understand these things in the context of the complexities of all the registers and lists; if they have registered to vote, they would expect to be able to vote in all elections. Given the huge discrepancy between registration for UK parliamentary elections and registration for the EU referendum—and given the fact that the Boundary Commission is not using the figures for the EU referendum—does he not accept that there might be a huge discrepancy in this regard too?
John Penrose: There has been a difference for many years between local election registers and parliamentary election registers. That is a very long-standing principle. We are not changing that. It would be possible, should the Welsh Assembly so decide, to make further changes and enfranchise other groups of people whom we would not necessarily want to enfranchise for UK parliamentary elections. At the moment, however, there is already a difference between the two electoral registers. There has been for a very long time. Nothing about this will change any of that, but in future it will be up to the Welsh Assembly to decide whether it wants to make further changes that might narrow or widen the existing long-standing differences.

Geraint Davies (Swansea West) (Lab/Co-op): The Minister seems to be saying that the Welsh Government should have the right to displace coincidental elections, but that they do not have to. He seems to be saying that under the rules a general election, an Assembly election and even a European election could occur on the same day. At the same time, he is saying that it would be delayed by only a month. In the last such episode, we saw political parties in Wales campaigning up to the Assembly elections and not really mentioning Europe, but then we had only six weeks to persuade Wales that it was better off in. That was not enough. Is a month long enough?

John Penrose: I fear that I was not clear enough. I am saying that there are explicit provisions in the Bill to prevent the elections the hon. Gentleman just mentioned from happening on the same day. It will not be possible to hold an Assembly general election, for example, on the same day as a UK parliamentary general election. That is explicitly prevented in the Bill and if some future accident of diary meant that the two things were to fall on the same day, we are talking about the powers for Welsh Ministers to move their date, should it be necessary, by up to a month, and about their having that power rather than the Secretary of State.

Geraint Davies: On the second point, one question would be whether a month is long enough. It would seem to me that it is not. Secondly, it seemed to me that the Minister said that there are powers to move the dates but that Welsh Ministers are not obliged or required to move them. Could not the Welsh Assembly Government choose to have the two elections on the same day under this provision?

John Penrose: I am not saying what the hon. Gentleman fears I am saying. I can reassure him on that. The power to move things by a month already exists. It just happens to fall on the same day. At the same time, he is saying that it would be delayed by only a month. In the last such episode, we saw political parties in Wales campaigning up to the Assembly elections and not really mentioning Europe, but then we had only six weeks to persuade Wales that it was better off in. That was not enough. Is a month long enough?

Geraint Davies: The aim of this set of amendments is to deliver a constitutional settlement that is workable, clear and fair. Amendment 28 to 31 would transfer the power to vary the date of extraordinary Assembly elections, from the Secretary of State directly to the Presiding Officer of the National Assembly. The amendments are underpinned by the principle that the Assembly should have powers over its own internal affairs.

Hywel Williams: I apologise to the Committee for my voice today. My daughter Enlli came back from nursery the other day with a slight tickle, and that has led to world war three breaking out in my larynx, unfortunately.

My hon. Friends and I support the motion that clauses 5, 6 and 7 stand part of the Bill, preferably along with our amendments 28 to 31 to clause 6. These are probing amendments and I would be interested in hearing the Minister’s response.

As the Assembly has grown in competence, it is reasonable that the power over the timing of its own elections, as well as powers over the conduct of those elections and the registration of electors, should be devolved. Any ambitious democratic body would surely seek such powers. The amendments in this group, as Members on both sides of the Committee will be aware, were originally drafted and published by the office of the Presiding Officer of the National Assembly. In a letter dated 30 June, the Presiding Officer set out that the aim of this set of amendments is to deliver a constitutional settlement that is workable, clear and provides a firm foundation for the Assembly’s future.”

She noted in the same letter that these amendments were informed by evidence given during pre-legislative scrutiny of the previous draft Wales Bill to the then Assembly’s Constitutional and Legislative Affairs Committee, and were equally informed by the Assembly’s experience of working under the current settlement.

Amendments 28 to 31 would transfer the power to vary the date of an ordinary general election, as well as the power to fix the date of extraordinary Assembly elections, from the Secretary of State directly to the Presiding Officer of the National Assembly, rather than to Welsh Ministers. The amendments are underpinned by the principle that the Assembly should have powers over its own internal affairs.

It is worth pointing out, as the context, that the Fixed-term Parliaments Act 2011 set a precedent for moving decision making over the administration of
elections away from the Government. Our amendments in this group, though probing, have this same underlying principle at their root—that is, that powers over determining the date of Assembly elections should be moved away from the Government. To our mind, this power should not be conferred on the Executive, so as to remove the possibility of any accusations of political interference. Were this change to be made by our amendments, it would add to the competence and responsibility of the legislature, which should surely be welcomed by all parties. It would also increase public confidence in the independent nature of election management in Wales.

As drafted, the Bill transfers the power to vary the date of an ordinary Assembly general election from the Secretary of State to Welsh Ministers. This is in contrast to the system operated in Scotland, whereby this power is bestowed on the Presiding Officer. Amendment 28 would put the Welsh Assembly’s arrangements on the same footing. Amendment 29 relates to conferring powers over varying the date of an ordinary general election. Although the Bill devolves powers over electoral arrangements, it does so in an unnecessarily impractical way.

John Penrose: Can the hon. Gentleman expand on his thinking about why those changes would be helpful? There are different approaches, as he will appreciate. Does he believe that there is anything unclear about the criteria that must be satisfied under the Fixed-term Parliaments Act as to whether a majority has been achieved in an Assembly or Parliament, or does he have other concerns about potential political game playing? Does he believe that the measure might put the Presiding Officer in a politically contentious position?

Hywel Williams: I have considered that, and it is my opinion and that of the Presiding Officer that it would not put her in that difficult position. These amendments are hers, after consideration. The point about parity and similarity with Scotland is persuasive, to our minds.

Jonathan Edwards: Is it not the case that under the Bill as drafted, the Welsh Government could act unilaterally if they so decided, whereas if the spirit of the amendments were accepted, adapted by the Government and incorporated in the Bill, the power would reside with the Presiding Officer, but only with the support of the legislature, which means that there would have to be cross-party support before she acted?

Hywel Williams: I take my hon. Friend’s point entirely. The four Assembly elections held so far have not produced a majority Government, so the consent of the Assembly collectively would be required in that situation. I am not casting any aspersions on the motives of Governments in Cardiff, London or anywhere else, but the amendment would remove any suspicion of political advantage being sought.

By adding a strict seven-day timeframe, during which period the Assembly must meet and elect a Presiding Officer, the Bill once again puts Wales on an unequal footing with Scotland. The Scottish Parliament is allowed 14 days to carry out this function. Given the history of the outcomes of elections to our Assembly, as I said a moment ago, and the obvious consequence that time has been required for the parties to discuss all manner of arrangements, seven days for this particular exercise seems unreasonable. That is why amendment 29 extends this period to 14 days for the Welsh Assembly.

Amendment 30 amends the Government of Wales Act 2006 so as to confer powers over varying the date of an ordinary general election to the Presiding Officer, as opposed to transferring this power directly to Welsh Ministers under the Bill as currently drafted. Finally, amendment 31 amends the 2006 Act so as to ensure that powers over proposing the date of an extraordinary general election are given to the Presiding Officer. The amendment once again extends the timeframe during which the Assembly is required to meet following an election to 14 days, thus establishing parity with Scotland.

These amendments are meant to probe and promote discussion. We do not intend to press them to a vote.

John Penrose: I thank the hon. Gentleman for laying out his case so clearly and so helpfully. He is right to point out that the provisions in the Bill seek to mimic the existing provisions to which his four amendments relate and to devolve the existing arrangements from the Secretary of State down to Welsh Ministers. However, he is also right to point out that this is not quite the same thing as has already happened in the parallel situation in Scotland, where the powers were devolved not to Scottish Ministers but to the Presiding Officer. We therefore already have in British constitutional arrangements two parallel but subtly different approaches.

The question I asked my question of the hon. Gentleman is that there are competing views on this issue. I am not sure that either is necessarily automatically better or worse than the other, but there are different strengths and weaknesses, and different pros and cons, to both. Some people are concerned that devolving these powers to the Presiding Officer could put them in a politically contentious position. I do not think that that is the view of the Scottish Presiding Officer, the Welsh Presiding Officer or many politicians in the Welsh Assembly, but some people would certainly cleave to it—perhaps here, for example.

Equally, the question is whether the criteria that have to be satisfied for a fixed-term Parliament to be altered in length and for an early, extraordinary election to be called, are clear. For example, for this Parliament, the Fixed-term Parliaments Act says that we either have to have a Government who cannot command a majority and who, over two weeks, have failed to find one, or we have a two-thirds majority. Those are fairly clear criteria, so there is relatively little opportunity for political game-playing, either by Ministers or a Presiding Officer.

3.30 pm

Jonathan Edwards: I am grateful to the Minister for the tone of his reply and for his clarification. Having read up on the potential implications of the Brexit situation, whereby the new Prime Minister may decide to call a snap election, I wonder whether it would be possible, under the terms of the Fixed-term Parliaments Act, for the new Prime Minister to call a vote of no confidence in him or herself, therefore triggering an election.

John Penrose: If the hon. Gentleman is not already in his party’s Whips Office, he probably should be, because that is a proper Whips Office wheeze. Were such a thing legally possible—I defer to others to decide whether it
would be—I do not think it would pass the test of
democratic credibility. Any Government who sought to
precipitate their own downfall through that kind of
mechanism—voting against themselves and saying they
were not competent—would, as a practical matter, probably
be judged quite harshly by voters in the polls. However,
I appreciate that we are talking about theoretical
circumstances, and we will have to leave that issue to the
future to decide.

The point I was trying to make is that there are
legitimate arguments on both sides, and both systems—one
here, and one in Scotland—already persist quite happily
side by side in British constitutional arrangements, and
the question is now being raised in relation to the Welsh
Assembly. I do not want to say that one system is
inherently legitimate or illegitimate, or that one is necessarily
better or worse than the other. It has to be a question of
what is acceptable to local decision makers—in this
case, Assembly Members and their officials in the Welsh
Assembly.

We are therefore sympathetic to taking this issue
away and thinking about it carefully. I thank the hon.
Gentleman for raising it, and he makes a thought-provoking
case. If he agrees, I would be happy to take his amendments
away—I think he indicated they were probing
amendments—to see whether we can take this issue
forward or at least develop his ideas and thinking a little
further.

Question put and agreed to.
Clause 5 accordingly ordered to stand part of the Bill.
Clauses 6 and 7 ordered to stand part of the Bill.

Clause 8
SUPER-MAJORITY REQUIREMENT FOR CERTAIN
LEGISLATION

Hywel Williams: I beg to move amendment 32,
page 10, line 3, leave out subsections (5) and (6).

The amendment removes the requirements on the face of the Bill
for the National Assembly for Wales’ Standing Orders to include
requirements for the publication of a statement in Welsh and
English.

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

Clauses 8 to 11 stand part.

Amendment 33, in clause 12, page 12, line 24, at end insert—

“(a) for a sum paid out of the Welsh Consolidated Fund
not to be applied for any purpose other than that for
which it was charged or (as the case may be) paid
out”.

The amendment sets out that Welsh legislation must provide that
the Assembly has to authorise any drawing from the Consolidated
Fund and that such funds can only be utilised for the purposes for
which they were authorised.

Clauses 12 to 14 stand part.
Amendment 13, in clause 19, page 17, line 27, at end insert—

“(2) After section 58A of that Act (inserted by section 17(1) of this Act) insert—

“58B Transfer of functions within devolved competence

(1) Functions conferred on a Minister of the Crown by virtue of any pre-commencement enactment or pre-commencement prerogative instrument, so far as they are exercisable within devolved competence by a Minister of the Crown, are to be exercisable by the Welsh Ministers instead of a Minister of the Crown.

(2) Provision for a Minister of the Crown to exercise a function with the agreement of, or after consultation with, any other Minister of the Crown ceases to have effect in relation to the exercise of the function by a member of the Welsh Government by virtue of subsection (1).

(3) In this section “pre-commencement enactment” means—

(a) an Act passed before or in the same session as this Act and any enactment made before the passing of this Act;

(b) an enactment made, before the commencement of this section, under such an Act or such other enactment; “pre-commencement prerogative instrument” means a prerogative instrument made before or during the session in which this Act was passed.”

Clause 19 makes provision about transfer of Ministerial functions. The amendment provides for the transfer of all functions currently exercisable by Ministers of the Crown within devolved competence to the Welsh Ministers.

Clause 19 stand part.

That schedule 3 be the Third schedule to the Bill.

Amendment 16, in clause 20, page 18, line 8, at end insert—

“(ab) section 58B,”.

Clause 20 amends the power in section 58 of the Government of Wales Act 2006 to make provision by Order in Council for the transfer of functions to the Welsh Ministers to authorise provision to be made in respect of “previously transferred functions”. This amendment extends the definition of “previously transferred functions” to include functions transferred by the general transfer proposed by amendment 13.

Clauses 20 and 21 stand part.

New clause 2—Welsh thresholds for income tax—

“(1) Part 4A of the Government Wales Act 2006 is amended as follows.

(2) In section 116A(1)(a) (overview), after ‘of’ insert ‘and thresholds for’.

(3) After section 116D insert—

‘116DA Power to set Welsh thresholds for Welsh taxpayers

(1) The Assembly may by resolution (a “Welsh threshold resolution”) set one or more of the following—

(a) a Welsh threshold for the Welsh basic rate,

(b) a Welsh threshold for the Welsh higher rate,

(c) a Welsh threshold for the Welsh additional rate.

(2) A Welsh threshold resolution applies—

(a) for only one tax year, and

(b) for the whole of that year.

(3) A Welsh threshold resolution—

(a) must specify the tax year for which it applies,

(b) must be made before the start of that tax year, and

(c) must not be made more than 12 months before the start of that year.

(4) If a Welsh threshold resolution is cancelled before the start of the tax year for which it is to apply—

(a) the Income Tax Acts have effect for that year as if the resolution had never been made, and

(b) the resolution may be replaced by another Welsh threshold resolution.

(5) The standing orders must provide that only the First Minister or a Welsh Minister appointed under section 48 may move a motion for a Welsh threshold resolution.”

This new clause would allow the National Assembly for Wales to determine the income thresholds at which income tax is payable by Welsh taxpayers.

New clause 3—Income tax receipts—

“(1) Section 120 (destination of receipts) of the Government of Wales Act 2006 is amended as follows.

(2) The Comptroller and Auditor General must certify for each tax year that Her Majesty’s Commissioners for Revenue and Customs have transferred the full amount of income tax paid by Welsh taxpayers in that tax year into the Welsh Consolidated Fund.”

This new clause would require the receipts from income tax paid by Welsh taxpayers to be paid into the Welsh Consolidated Fund.

Hywel Williams: I rise to speak to amendments 32, 33 and 38 to 45. My hon. Friends will seek to catch your eye later, Sir Alan, to speak on the aspects that concern them. I also wish to speak to clause 18 stand part.

Amendment 32 is a technical amendment. Clause 8 provides that Assembly legislation dealing with certain protected matters—the name of the Assembly, who is entitled to vote at Assembly elections, the voting system and so on—would require a super-majority of the Assembly. It requires the Presiding Officer to decide whether an Assembly Bill relates to a protected matter and to state that decision, and I do not disagree with any of that.

However, the clause then requires that that statement be in both English and Welsh and that the form of that statement be dealt with in the Assembly’s Standing Orders. While we agree that such statements should be made in both languages, amendment 32, which is in my name and those of my hon. Friends, would remove those two provisions. It does that for two reasons. First, including them is at odds with much of the rest of the Bill, which recognises the Assembly as a mature legislator and allows it to determine its own internal arrangements rather than what is required by Westminster. Secondly, both Welsh and English are official languages of the Assembly—as someone rather paradoxically put it, English is a Welsh language in that respect—and both must be treated equally. Therefore, providing that the Presiding Officer’s statement must be made in both languages is unnecessary—nugatory.

Amendment 33 seeks to amend clause 12, which inserts a new section into the Government of Wales Act 2006. This would replace the previous arrangements for financial controls and provide that Welsh legislation should make provision for the matters contained within that section, such as accounts to be prepared of their expenditure and receipts by the First Minister or other Ministers who draw sums from the Welsh consolidated fund. We believe that the new section should include basic safeguards in the form of minimum requirements that Welsh legislation should provide for, and that reflect good governance. Section 124 of the Government of Wales Act 2006 currently provides for authorisation by the Assembly. Amendment 33 proposes that funds should be issued from the Welsh Consolidated Fund only in accordance with legislation or authorisation by the Assembly, and can be utilised only for the purposes for which they were authorised. This simple addition to the
Bill would improve accountability and responsibility, and it would reflect the provisions for Scotland—that is, section 65 of the Scotland Act 1998.

Amendments 38 to 45 are technical in nature. They amend clause 15, which provides that if the Assembly changes its name, then any reference in legislation, instruments and documents to the “National Assembly for Wales” is to be read as a reference to the new name. This saves having to change each reference to the “National Assembly for Wales”, of which there may be many thousands. However, the clause neglects the fact that Assembly Acts are prepared bilingually, and so references to the Assembly and the commission will be in Welsh and English. Moreover, it does not address the issue of legislation, instruments and documents that refer to “Cynulliad Cenedlaethol Cymru”. The amendment clarifies that any reference in legislation, instruments and documents to “Cynulliad Cenedlaethol Cymru” is also to be read as a reference to the new name in Welsh.

The same issues arise with regard to any change in the names of the National Assembly for Wales Commission or Acts of the National Assembly for Wales, which are also addressed in the amendment. The heading of the section inserted into the Government of Wales Act 2006 by clause 15 refers to “translation of references”. The amendment would change that to “consequential provision”. That is more appropriate, given the overall effect of clause 15, and avoids confusion between legal translation—that is, consequential provisions—and linguistic translation of references. I look forward to the Minister’s response and hope that he might consider adopting some of these changes on Report.

I now turn briefly to clause 18 stand part. This clause shows the speed of political change. After nearly five years of discussion about Silk and powers for Wales, we are now providing that Wales Acts are relevant to the European Communities Act 1972, although the UK has just voted to leave the EU. Obviously, this provision should remain in the Bill. We are still in the EU, and unpicking EU legislation from our domestic legislation will take many years and will not be easy. There are questions as to how decisions will be taken about which EU legislation remains.

I hope that the UK Government, of whatever stripe, but particularly of a right-wing Conservative complexion, will not take it upon themselves to decide what is, or what is not, relevant to Wales. We have already heard the comments from one Conservative leadership contender at the weekend calling for a “strong Union”, and we suspect that we know what that actually means. We need to know where Wales stands and how these powers will be determined. So-called Henry VIII powers, lying either with the UK Government or with Whitehall bureaucrats, will not be democratically acceptable.

My party, Plaid Cymru, is the official Opposition in Wales and the second largest party after the elections two months ago. The balance of competences review did not consider Wales in particular depth, but, post-Brexit, we must consider the question of which powers should be in Wales’s hands and not those of Westminster. The vote in Wales to leave the EU was not a vote to centralise power in Westminster.
to be substantial, we may have to revisit the issue in the future, and the same may be true of other issues that we have not entirely foreseen.

3.45 pm

Today, I want to make specific reference to clause 16, because it is absolutely fundamental. It deals with the power to vary income tax levels in Wales, which is hugely important, providing financial accountability to the Welsh Government. Like the Chairman of the Welsh Affairs Committee, I was opposed to devolution but came to terms with it almost immediately, which is what we should do when there is a referendum. It was a very close result but, as I was driving home from the count, I accepted that we would have a Welsh Assembly, and I am in total support of it. Not only that, but I think that we should accept the decision of the people and make a success of it. We are doing our best to do that.

When I became a Member of the Welsh Assembly, I was asked to be the Conservative financial spokesman. Clearly, one came upon the annual budget debate. As I was preparing to speak in that debate in the Assembly, I thought to myself, “This isn’t a budget; what we are dealing with here is just a spending plan”. When I was chairman of the finance committee on Montgomeryshire District Council, the biggest meeting of the year, by a long way, was the meeting at which we set the rates. We set aside a whole day to debate whether or not to put a penny on the rate. Every budget I have ever seen has on one side what will be spent and on the other how it will be raised.

I know from talking to people at election time that that is what is on their minds. It engages people to know what we great? However, occasionally in politics we find that, if money will be spent on something, it will be on income tax to the Welsh Government because they will to demonstrate the position that we are in. A lot of party. It is not intended to be, but rather it is an attempt to be interpreted as being politically against the Labour I want to be political, but what I am about to say could this debate previously. This is not an occasion on which my colleagues do not agree with me, and we have had responsibilities, and particularly the financial accountability, of the Welsh Parliament, it has to have the powers and the National Assembly for Wales the Welsh Parliament. If the Government are spending money, generally on elections should be about—but not in Wales. In Wales, that is what is on their minds. It engages people to know one side what will be spent and on the other how it will be raised.

I know from talking to people at election time that that is what is on their minds. It engages people to know that, if money will be spent on something, it will be taken from them in some way to pay for it. That is what elections should be about—but not in Wales. In Wales, if the Government are spending money, generally on something that the people might approve of because it is popular, they say, “This is what we are doing, aren’t we great?” However, occasionally in politics we find that Governments have to support a law that is not so popular and is difficult to argue for in public because people are not altogether convinced. It is not acceptable just to say, “We can’t do that because we don’t have enough money from the Westminster Government”. The Government have to be financially accountable to people; that is what makes a parliament.

In this Bill, we intend to change the position and call the National Assembly for Wales the Welsh Parliament. I fully support that. However, if it is going to be called the Welsh Parliament, it has to have the powers and responsibilities, and particularly the financial accountability, that we would expect a Parliament to have. That is why that is so important in this Bill.

There is a division of opinion on this issue. Some of my colleagues do not agree with me, and we have had this debate previously. This is not an occasion on which I want to be political, but what I am about to say could be interpreted as being politically against the Labour party. It is not intended to be, but rather it is an attempt to demonstrate the position that we are in. A lot of people are opposed to granting the ability to vary income tax to the Welsh Government but always be led by Labour. I do not know why people are quite so pessimistic; the day will come when the Welsh Government will not be led by Labour. In fact, we are not so far from that day now. We had a Welsh Assembly election in which the total Labour vote was about 30% or 31%, and an EU referendum in which the advice of the First Minister, who was leading the campaign, was virtually ignored in Labour strongholds. It was not ignored by people who do not support Labour, but the very people who support Labour just dismissed the First Minister’s leadership of the campaign. The First Minister must wake up in the night thinking, “My position is looking a bit dodgy, a little weak. I’ve got 30% support and that may well have been halved in the EU referendum among Labour voters.”

I genuinely believe that we are on the verge of creating a proper democracy in Wales, one in which not everyone assumes that Labour will rule, but we have competition instead. People will be much more engaged and interested. My comments might be perceived as being against Labour, but they are not meant to be. I am saying that I am in favour of a genuine political debate whenever we have an election in Wales. I think we are not too far away from that.

One issue that has caused some controversy, on the Conservative Benches in particular, has been the need for a referendum on whether income tax powers should be devolved. I think we have had enough of referendums. As a general principle I am not in favour of them, and on this particular issue I do not think one is necessary. That has been my view for a long time. The referendum is suggested, and supported, as a blocking mechanism to make sure that the Welsh Government never become financially accountable. That is not the right way to go.

That is now the Government’s view—they have moved on from previous positions. The Silk commission’s recommendations may be the bible of the hon. Member for Ceredigion (Mr Williams), but the commission was wrong to recommend a referendum. It was a weak recommendation. The commission should simply have recommended that the only way to financial accountability is to allow income tax to be varied by the Welsh Government, so that they become responsible. A referendum has been proposed in the past but is not what we should do now.

The Bill is broad-ranging and hugely important. It is the next step forward in making the Welsh Assembly into a Parliament. It will settle the constitution for some years to come—I would not like to predict how long it will be until we are back here talking about another Welsh Bill; I might be an octogenarian by then. The Bill will be until we are back here talking about another Wales Bill; I might be an octogenarian by then. The Bill is an important step forward and I very much hope that it passes through here and the other place unhindered.

**Susan Elan Jones:** I speak in support of amendment 11 on income tax powers. I am interested in much of the Bill, but during the past week, in the aftermath of the Brexit result, a thought has come to me. I am now absolutely determined that, like highly calorific chocolate, constitutional experts are to be valued, savoured and enjoyed, but not indulged in very frequently. I spent the referendum evening sitting around a table in a television studio in the company of a constitutional expert—I would argue that he is probably one of Wales’s finest. As we looked at the results coming in, many of them fairly miserable, the constitutional expert sprang to life and said, “Do you realise the impact of that on parts of the Wales Bill? Do you realise its impact on this and on
that?” I sat there thinking that I was a little more interested about potential job losses at Airbus, what would happen to farms and all the rest of it.

Let us get back to the amendment. I have always supported a referendum on devolving income tax. Our amendment 11 would do something really practical. We argue that income tax powers should not be devolved to the Welsh Assembly until a full fiscal framework for Wales has been approved by both Houses of Parliament and the Welsh Assembly. That is an agenda of total respect.

I will tell the House why that is important. We all sit around discussing what it means to be Welsh, our patriotism and our different interpretations of it, often with the view that we have the one complete, absolute truth on the issue. But there is one thing that matters more and more, especially in the aftermath of the Brexit result. I can think of a million ways in which every single one of us in this Chamber could express our Welsh patriotism, but there is one way we can never do so: by supporting a deal under which ordinary Welsh people become poorer. That must be our litmus test, and that is why we must not only vote on this issue in both Chambers of this House, but we must also place it in the hands of our Welsh National Assembly.

I agree with part of what the hon. Member for Montgomeryshire (Glyn Davies) said, but it is a pity that he has an obsession about never wanting a Labour Government in Wales again. Last week the Secretary of State said some interesting and thoughtful things on television in the wake of the EU referendum.

Glyn Davies: Let me clarify my view on that. We should not be in a position where we never have a Labour Government in Wales from time to time, but I object to the idea that we should never have anything but a Labour Government, and the assumption that Wales must always have a Labour Government or be led by Labour. We need variation—let us have somebody else, and then Labour can come back.

Susan Elan Jones: It does not much matter what I or the hon. Gentleman think—it has far more to do with what the electorate in Wales think. In all seriousness, this is about how we get the best deal for people in Wales, and for those of us who have never had an ideological objection to the Assembly having tax-raising powers, what we are proposing is sensible, workable, and goes with the grain of the majority of opinion in the Assembly, in this House and across Wales. The hon. Gentleman will probably disagree with me, but he said something interesting about how the Welsh Assembly, which was elected in 1997 with a small majority, has turned into something that very few people in Wales would want to get rid of, and quite right too. I think that this change and incremental increase in devolution, and the support for further fiscal powers, is right and proper, and it is time that the House supported it.

Liz Saville Roberts: I rise to speak against clause 10 and the imposition of an obligation on the Assembly to undertake and publish justice impact assessments for Assembly Bills. Such assessments are intended to set out the potential impact of a Bill’s provisions on the justice system in England and Wales, and specifically on the Crown Prosecution Service, the Serious Fraud Office, courts and prisons. The obligation to undertake justice impact assessments—or justice impact tests—in Westminster Departments is voluntary in the sense that the UK Ministry of Justice provides guidance as a tool to help policy makers find the best way to achieve their policy aim. If the guidance approach is appropriate for Westminster, why should it be deemed acceptable to place an obligation on the Assembly by means of its own Standing Orders?

Mr Mark Williams: I share the hon. Lady’s concerns over clause 10. In many ways the Bill includes a welcome approach for the Assembly to regulate its own affairs, so does she agree that this measure is inconsistent with the rest of the Bill?

Liz Saville Roberts: It is also being imposed on the Assembly through its own Standing Orders. In that same spirit, surely the Standing Orders of the Assembly should be a matter for Assembly Members alone, especially bearing in mind that the Bill trumpets its credentials as the harbinger of a new model of reserved powers. No other legislature in the UK is denied the freedom to decide on its own legislative process and Standing Orders. There is nothing of the kind in Northern Ireland, Scotland or England, and nothing currently in Wales. No reciprocal arrangement is in place whereby UK Government Bills are required—voluntarily or otherwise—to assess what impact they will have on Assembly responsibilities in Wales. What impact, for example, will the building of the super-prison in Wrexham have on public service provision in the area, the national health service and transport?

4 pm

As a matter of principle, this approach—I refer to the one of mutual consideration and respect—might be welcomed, but the arrangement proposed in clause 10 can be compared with Goliath ordering David to assess the impact of his slingshot while chucking boulders around at will. This requirement, coupled with the powers of the Secretary of State to veto Welsh legislation under Section 152 of the 2006 Act, causes me some concern.

Finally, I take this opportunity to refresh the memory of the Committee that, were Wales to be equipped with a separate legal jurisdiction, there would simply be no need to jump through the hoops implicit in justice impact assessments. Clause 10 once again reminds us that underpinning the Wales Bill is the need to prioritise the single unified legal system of England and Wales, hedging the Assembly’s legislators about with an excess of checks and balances, rather than empowering them. We oppose clause 10 and we will vote against it when the time comes.

Stephen Doughty: I wish to speak on clause 16 and the referendum on income tax powers. I preface my remarks by saying that I have always been an instinctive pro-devolutionist. I worked in the Assembly when it first began and I supported its establishment. I would go further than some aspects of the Bill in devolving powers and giving responsibilities to the Welsh Government. I support, as the First Minister has, a federal UK. I
would like a constitutional convention and a written constitution that properly settles the duties and responsibilities of the respective Administrations across these islands. This is even more crucial in the aftermath of the EU referendum. I genuinely fear for the future of the UK at the moment. I have always considered myself a proud Welshman, but also proudly British and proudly European. I will continue to do so, but we have unleashed a whole series of very difficult questions in the aftermath of the vote that make our deliberations on the Bill all the more important.

David T. C. Davies: Does the hon. Gentleman agree that the citizens of Switzerland and Norway are Europeans and may be proud to be European? They are just as European as anyone else in Europe, and he would be just as European as a Norwegian or a Swiss person is after Brexit takes place.

Stephen Doughty: I am not going to be taken down that rabbit hole. I want to concentrate on the details of the Bill. I make my point because, despite having those views and pro-devolutionary instincts in supporting the most of the Bill—as I said, I am even willing to go further—I have also always believed in applying two tests to proposals put before us.

First, whatever is proposed must deliver better outcomes for the people of Wales. It is absolutely crucial that we look at this in the context of our unique history. Our history is not the same as that of Scotland, our legal history is not the same as that of Scotland, and the nature of our polity and development is not the same as that of Scotland. There are distinct and unique things about Wales that we should consider that do not apply to Scotland. We always have to ask: is this the right solution? I apply that particularly to issues such as policing, the justice system and criminal jurisdiction. I am not saying that they should not be looked at in the future, but I believe in a practical test of whether they will deliver better outcomes. It is not just about sticking a dragon on something and saying it will be done better; this has to be approached in a very cold and hard-headed way.

Secondly, I have always believed in the consent of the Welsh people when making major constitutional change. I support very much the intent of amendment 11, which would help to create clearer boundaries between the legislature and the Executive. Despite previous changes to the Welsh constitution, far too many people and commentators cannot distinguish between the work of the legislature, the National Assembly. I also look forward to the Welsh language having official status in Wales. The National Assembly is a bilingual body and official statements must be made in both languages. There is, therefore, no need for the Bill to include such a provision. I support the principle of clause 8, which essentially means that before any changes can be made to the new constitutional powers devolved in the Bill, the support of two thirds of Assembly Members would be required. This would essentially require cross-party consensus to change the name of the Assembly, the Welsh people's entitlement to vote, the electoral system, constituency numbers and the number of elected representatives in the National Assembly.

I look forward to a swift consensus developing around renaming the National Assembly “the Senedd”, which would help to create clearer boundaries between the legislature and the Executive. Despite previous changes to the Welsh constitution, far too many people and commentators cannot distinguish between the work of the Executive, the Welsh Government, and the work of the legislature, the National Assembly. I also look forward to a consensus developing around votes for 16-year-olds. If an individual is old enough to start full-time employment or serve in the armed forces, they must have a say over who gets to form the Government. Extending the franchise to 16-year-olds during the Scottish referendum was a huge success, and we should aim to replicate it in Wales, not least because it would mean only eight more years before my daughter can vote for herself, as opposed to filling in my ballot paper—following strict instruction, I hasten to add.

Stephen Doughty: The hon. Gentleman and I disagree on many issues, but on this we are in firm agreement. I have heard from many constituents, particularly when visiting schools and colleges, that young people want the franchise extended to 16 and 17-year-olds. I spent a
lot of time campaigning on the Scottish referendum, and it was clear to me that, if we engage younger people in the political process, not only can they take part fully in the debate but they can add to it. We should all support that.

Jonathan Edwards: I am grateful for that intervention. I think that we can move swiftly on this in Wales and build a consensus in the Assembly. It would be a very progressive move, as the hon. Gentleman has just outlined.

Mr Mark Williams: Did the hon. Gentleman also detect from polls in the last fortnight a healthy appetite among 16 and 17-year-olds for participation in the decision that we, as adults, were able to make and which they, as young people, should have been able to make?

Jonathan Edwards: That is another valid dimension. It was clear that the younger generations were very much in favour of remaining a part of the EU. The morning after the referendum, I was the guest speaker at the graduation service of Coleg Sir Gâr, the local further education college, and in particular the Gelli Aur campus, which specialises in agriculture courses. I started my speech by apologising to those generations of young people—mostly 16 and 17-year-olds—who had been unable to participate in the referendum but for whom the decision made on their behalf will arguably leave a far greater legacy.

Albert Owen (Ynys Môn) (Lab): A consensus seems to be growing here on 16 and 17-year-olds having the vote. Rather than Wales mirroring some other parts of the United Kingdom, we should be radical in moving forward even further by talking about compulsory voting in Wales. Seventy-four per cent. voted in a referendum, but if those others who felt disfranchised voted, the result might have been different. What we are talking about is radical Welsh politics.

Jonathan Edwards: I am grateful for that intervention, and what the hon. Gentleman says will be part of the programme with the hon. Member for Cardiff Central (Jo Stevens), and we had a vibrant debate on this issue. My one concern about compulsory voting is that it has to go hand in hand with a change to a more proportional electoral system. We cannot allow one party to gain 50% of the seats on the basis of 30% of the votes, as we saw last May. That is bad for democracy and it is a hugely corrupting influence on our politics. There is a chance here for Labour Members to show that they are genuinely interested in the national interest as opposed to the interests of the Labour party. I shall hold my breath on that one, as Labour colleagues seem to be more interested in compulsory voting than having a proportional electoral system.

Wayne David (Caerphilly) (Lab): Does the hon. Gentleman not accept that, in the interests of democracy and effective representation, a strong case can be made for maintaining the constituency link between a representative and his or her constituents?

Jonathan Edwards: I fear that we are getting into a debate about PR, and my party is strongly of the view that such funds can be used only for the purposes for which they were authorised. This is straightforward, and I hope that the UK Government will accept it.

Albert Owen: Speaking as someone who was involved in the first referendum, I know that this was a big issue. It was argued that the Assembly would be different and we would have a hybrid system, which was put in place to help the smaller parties such as the hon. Gentleman’s party. It is not the fault of the Welsh electorate that they do not vote for his party or do not like it. We have moved considerably from this place, which has a full first-past-the-post system, to a hybrid system. In north Wales, Labour topped the poll but did not get one Member.

Jonathan Edwards: I am grateful for that intervention. The people of Wales will listen to what politicians have said today, and they will make their own judgment. My personal view, for what it is worth, is that the number of seats that a party has within an electoral body should reflect the percentage of votes they receive during the election. We will see how things develop in Wales.

My hon. Friend the Member for Dwyfor Meirionnydd spoke at some length about clause 10. Needless to say, I agree with every word she says, and I will join her in the Lobby to vote against it later this evening.

Amendment 33, tabled by my hon. Friends, is designed to ensure that the legislature of Wales has to authorise the drawing of money from the Consolidated Fund and that such funds can be used only for the purposes for which they were authorised. This is straightforward, and I hope that the UK Government will accept it.
Under clause 14, the Secretary of State will no longer be statutorily bound to visit the National Assembly each year. This is a positive move, which equalises the relationship between the Westminster Parliament and the National Assembly. It might also save the embarrassment of some of the less active Members in the National Assembly. I seem to recall a story from the last Assembly in which the previous Secretary of State for Wales, the right hon. Member for Clwyd West (Mr Jones)—I am disappointed that he is not in his place, because I think he would have enjoyed this—had spoken more words than the previous Assembly Member for Islwyn.

Amendments 38 to 45 are technical, and I hope the UK Government will accept them. They deal with the naming of the legislature and the establishment of a legislatures commission in the event of a name change, and ensures that the provisions in clause 15 extend to both the English language and the Welsh language names.

4.15 pm

I am afraid that amendment 11 leaves me in some anguish. On the face of it, in view of legitimate concerns over the debate about the fiscal framework that will need to accompany the devolution of income tax powers to Wales, there needs to be some sort of “safety trigger” advice enabling the National Assembly of Wales to protect itself should the Treasury decide to pull a fast one. The fact that Scotland has secured a favourable deal in relation to its fiscal framework is of little comfort when we are discussing the Welsh situation. Following the bitter experiences of the Barnett formula, there is a danger that Wales will once again be handed an inferior settlement, with huge potential costs to the Welsh taxpayer.

On Second Reading, I said that I wanted to see a Treasury statement of some sort before finally making up my mind about fiscal framework provisions in the Bill. I am pleased to see that a representative of the Treasury is present, and listening to the debate. In fact, however, the National Assembly does have such a “safety trigger” device. Political parties can, if they so choose, vote down the Bill during proceedings on the legislative consent motion, once it has been triggered by the Welsh Government.

It is clear that the Labour party in Wales is desperate to avoid fiscal responsibility. While I have to say—although the Financial Secretary is present—that I do not trust the Treasury as far as I can throw it to protect the interests of Wales, I should add, if the Shadow Secretary of State will forgive me, that neither have I much faith in the Labour party to put the interests of Wales first. It seems to me that amendment 11 is intended to ensure that Labour will be able to veto the devolution of income tax powers to Wales. I do not believe that a Government should be able to choose whether they should be fiscally responsible, and, with that in mind, I cannot and will not support the amendment.

I fully support clause 16. The principle of fiscal devolution has already been conceded with the devolution of minor taxes. I said on Second Reading that referendums should be held on issues involving a major constitutional change. Wales is on a journey towards a system whereby more of its tax receipts will be kept directly in Wales, as opposed to being collected by the Treasury and sent home. I welcome the change in approach, and hope to lubricate the process so that the vast majority of taxes are kept in Wales. In my opinion, the only major reserved tax should be national insurance, to cover the costs of social protection.

My hon. Friend the Member for Arfon (Hywel Williams) has already spoken about clause 18. I support amendment 13, tabled by members of the official Opposition, which transfers all functions currently exercisable by Ministers of the Crown in devolved areas to Welsh Ministers. Having read amendments 14 and 15, I am none the wiser about what they endeavour to achieve. Amendment 16 appears to back up amendment 13, which, as I have said, I support. We have no problems with clauses 20 and 21.

That brings me to new clauses 2 and 3. I begin my argument with a simple truism. Every single member of the Conservative and Labour parties in the House of Commons supported full income tax powers for Scotland during the passage of the Bill that became the Scotland Act 2016. I cannot understand the political reasoning for supporting the devolution of a major job creation lever to Scotland while denying it to Wales.

During discussion of the Bill, the Conservative party’s position was presented by the Secretary of State for Scotland, who said:

“The Scottish Parliament will see a huge increase in its financial accountability to the people of Scotland.

The major new powers of tax, welfare and other matters will give added weight and effectiveness to the powers it already possesses.

So significant are the changes to its powers, and so immense the potential for their use, the Scotland Bill will create, in effect, a new Scottish Parliament.

In tech-speak, you could say that this will be ‘Holyrood 2.0.’”

Labour Members were equally excitable. The former shadow Secretary of State for Scotland, the hon. Member for Edinburgh South (Ian Murray), said:

“When this Bill becomes law, it will present the Scottish Parliament with the opportunity to make Scotland the fairest nation on earth.”

I could have a lot of fun reading out quotes relating to the Scotland Bill, but this raises a serious question for my political opponents.

My new clause 3 would enable income tax receipts from Wales to be paid directly into the Wales Consolidated Fund. Effectively, there would be 100% devolution of income tax, as enjoyed by Scotland. If the Conservatives supported full income tax powers for Scotland to make the Scottish Parliament more accountable to the people of Scotland, why do they oppose the same powers for Wales? If Labour supported those powers because they would enable the Scottish Government to create the “fairest nation on earth”, why are they opposed to empowering their own Government in Wales with the same powers to achieve that laudable aim?

Susan Elan Jones: The hon. Gentleman is in full flight, but would he continue to support all those moves if the net result was to make Wales poorer?

Jonathan Edwards: In what sense would it make Wales poorer? I am more confused by the Labour position the more Labour Members intervene. The hypocrisy of Labour’s position does nothing to further the good name of politics. Most depressingly, it shows that both
the Labour party and the Conservative party rejoice in treating the people of Wales as second-class citizens and Wales as a second-class nation.

Wayne David: Will the hon. Gentleman accept that the Labour party and the Conservative party rejoice in treating the people of Wales as second-class citizens and Wales as a second-class nation?

Jonathan Edwards: That is a damning indictment of the current situation. I have faith in my own people and my own country to be able to develop our own economy and create wealth. The big plus of devolving fiscal powers is that it would incentivise the Labour Government in Cardiff to stop spending money on their pet projects and start concentrating on increasing tax revenues to spend on public services. That is why I support the devolution of fiscal powers.

Stephen Doughty: I have great faith in the Welsh people as well, and I have a lot of faith in the Welsh Labour Government. However, does the hon. Gentleman not accept that even in the short to medium term Wales would be poorer? Wales is a net recipient of funding from the rest of the UK, and that helps benefit all the people in Wales. In the short term, we would lose out. Does he not accept that?

Jonathan Edwards: The powers as envisaged do not involve the complete block grant. The block grant—the total money available to Wales—will not change on day one. The only issue of contention is the fiscal framework; I have been making that point. The devolution of the fiscal power itself is not an issue in terms of making Wales poorer on day one.

There is also a technical reason why we should be fully devolving income tax powers. It is far more difficult to create a fair fiscal framework to accompany the partial devolution of income tax as opposed to full devolution. The result of this would be to enable future Welsh Governments to continue to avoid responsibility for their mistakes. In the interests of transparency, accountability and—critically—incentivisation, I hope even at this late stage that the UK Government will accept my new clause 3.

A key element of ensuring that the devolution of income tax is devolved successfully is the empowerment of the National Assembly to set income tax thresholds. New clause 2 aims to achieve this objective and I will press it to a vote on the second day of Committee, with the Chair’s permission. If we have time, I would also like to press new clause 3. We will discuss these new clauses on Monday.

New clause 2 is of vital importance as we embark on the journey of devolving income tax powers. The setting of thresholds is a key component of being able to use those powers based on domestic considerations. The Welsh economy in comparison to other parts of the UK is, regrettably, currently a lower-wage economy, a concern raised by Labour colleagues. New clause 2 would enable the National Assembly ultimately to determine the number of income tax thresholds and the levels at which they are set, including, critically, the basic rate. That freedom would enable the Finance Minister of the Welsh Government, whoever he or she may be, to set innovative income tax structures aimed at maximising revenues for the Welsh Exchequer to invest in Welsh public services, but also to encourage wealth creation and encourage investment.

It has been a consistent policy of the current Chancellor to increase personal allowances—in other words to increase the rate at which people begin paying income tax. Brexit may lead to a radical reversal of this policy in the coming months and years by the next Chancellor as revenues reduce. However, the key point is that as long as the ability to set personal allowances is reserved to London and Wales has a low-wage economy, decisions by Chancellors here could have a significant impact on the revenue available to invest in Welsh public services.

It really is all or nothing when it comes to the devolution of income tax and, as someone who supports making the Welsh Government fiscally responsible, I very much hope that the UK Government decide to support the former. Diolch yn fawr iawn.

Nia Griffith: I shall speak to several amendments, in particular amendment 11, which provides that income tax powers may not be devolved to the Welsh Assembly until a fiscal framework has been approved by both Houses of Parliament and the Welsh Assembly.

We have always said that a fiscal framework must ensure that Wales is not disadvantaged by taking on the devolution of some income tax powers. In the wake of the EU referendum result, it is all the more urgent that the Government develop a coherent and redistributory regional funding strategy not just for Wales, but for the whole of the UK.

The EU uses specific criteria for designating the areas that should receive structural funds by comparing the income of an area with the EU average. Areas in Wales such as the valleys and west Wales have benefited because they have a GDP that is less than 75% of the EU average, as has Cornwall, and many other areas have benefited because their GDP is between 75% and 90% of the EU average, including south Yorkshire and Merseyside. It is, broadly speaking, a needs-based system. As Members across the House will remember, Holtham recommended that funding for Wales should be based on a needs-based formula. However, a sophisticated formula would take time to develop.

It is simply unacceptable for Wales to accept the devolution of income tax without an order in both Houses and the consent of the Welsh Assembly, because those measures would give elected Members the chance to discuss the funding and the fiscal framework so that we do not see a cut to our funding and then get told to make up the rest by increasing income tax.

Stephen Doughty: I wholeheartedly agree with the point about the potential trap for Wales. Does my hon. Friend share my concern and that of many of my constituents about the uncertainty that is being created for projects such as the south Wales metro, which was due to be funded by the EU? We are not clear where that £150 million of funding will come from. If we do not have clarity on Wales’s fiscal framework and on whether we will be better off or not, projects like that will be in doubt.
Nia Griffith: I very much agree with my hon. Friend. It is even more serious than that because many jobs depend on EU funding. People might find that they no longer have the apprenticeship opportunities, training opportunities and many other things that are supported by the EU but that are not quite as obvious as the concrete structures.

It would be very difficult for the Welsh Government to make up a significant shortfall in the block grant. The block grant is some £15 billion per annum, whereas the total income tax raised in Wales amounts to some £4.9 billion. It would be very difficult to make up any percentage cut to that £15 billion, particularly if we wanted to protect the standard taxpayer. It is therefore vital that there is an opportunity for negotiation and for a vote and approval before any devolution of income tax.

People might think that I am very suspicious of the Conservative party and that I do not trust it an inch. [HON. MEMBERS: “No!”] Well, I just think that we have to look at the facts. Look at what it has done with councils in England. It has told them that if they want to increase social care funding, they can raise it through council tax hikes. If anyone thinks that the UK Government run by the Conservative party are committed to fair funding or needs-based formulas and are free from partisan bias, I remind them that between 2012 and 2020 the average cut in spending power per household in Labour council areas in England is more than five times higher than the average cut in Tory local authority areas.

Jenny Chapman (Darlington) (Lab): I regret to inform my hon. Friend that the situation is worse than she describes, because when special funding was identified for councils, 85% of it went to Conservative-held authorities.

Nia Griffith: My hon. Friend confirms my very worst fears. Instead of having needs-based funding, the average cut per household in a Tory area will be in the region £68 by the end of the Parliament, whereas in Labour council areas it will be more than £340. My fear is that the block grant will be cut and we will be told to make up the rest through income tax hikes in Wales. As Members are well aware, there has been no full assessment of the impact on Wales of different rates of tax on the different sides of a very porous border, so we really have no idea what will happen.

4.30 pm

I will not repeat our many previous arguments about the importance of keeping the UK together and of having an income tax base right across the UK. All of us in the many regions of the UK contribute to the wealth that is generated in London through the companies that people work for in Wales and other parts of the UK. London therefore has an enormous tax take compared with other areas and is the only place that consistently provides a surplus, whereas other areas have to take from the pool. That is why we should not go down the route of complete separatism, as suggested by Plaid Cymru. Any tampering with income tax must be done with the consent of both Houses here and the Assembly to ensure proper negotiation and a proper agreement about funding for Wales, so that we are not left short of money.

Byron Davies (Gower) (Con): Thank you, Mr Gray, for giving me the opportunity to speak about the Bill today. I am delighted to see my neighbour, the hon. Member for Swansea East (Carolyn Harris), on the Opposition Front Bench.

By and large, I am happy with the measures and the devolution of some further powers to the Welsh Assembly. To be perfectly frank, I have never been a devolutionist, but I accept where we are and we must make it work. I know that the Secretary of State for Wales, my right hon. Friend the Member for Vale of Glamorgan (Alun Cairns), and the Under-Secretary of State for Wales, my hon. Friend the Member for Aberconwy (Guto Bebb), will be doing everything that they can in the Wales Office to ensure that these further provisions are a success and contribute in a positive and constructive way to the Welsh economy and Welsh national life.

However, my concern about tax-raising powers is long standing, and it would be remiss of me if I did not raise on behalf of the people whom I represent in Gower the issue of a referendum on tax-raising powers. I am well aware and have no doubt that we have all seen enough of referendums to last a lifetime, but one on tax-raising powers for Wales would be slightly less contentious and would take place in a slightly better spirit.

The National Assembly for Wales, and devolution in Wales, has been on something of a journey over the past two decades. There have been mistakes, many potholes in the road and things that could have been done differently, but we have taken this course together and I am sure that everyone is committed to working to ensure that devolution works for the people of Wales.

There is no doubt that Welsh national life has benefited from devolution, and it is important that people feel that our institutions are close to the decision-making process. There is still work to do on such issues, but things do not happen overnight at such a young institution.

Speaking as a recent former Assembly Member, it is promising to have seen some progress and maturity in our institutions. I want to make it clear that when there has been a major decision that would greatly affect the devolution process, the people of Wales have been consulted every time. There have been close votes. Indeed, the one that created the National Assembly was on a knife edge, but the Assembly was created. The Welsh people then voted to give the Welsh Government law making powers.

Now, the next stage of that process, and perhaps one of the most important, is to give the Welsh Government the power to levy taxes. It is argued that such powers are vital to economic growth, families’ security and the future prospects of the Welsh nation. If used well, tax-raising powers could create huge economic opportunities that drive our economy forward and increase the fortunes of our people, their children and things that they consider important to them. If they are used poorly, however, that could place a burden on family budgets, put encumbrances on small and medium-sized business, which are the lifeblood of the Welsh economy, and drive key companies and economic figures away from the burdens of a tax-laden Wales to Scotland, Ireland or England.

These powers are as crucial as any that have gone before, and if we are to be true to the Welsh people and to the devolutionary process that we have undertaken
over the past two decades, it is only right and correct that we allow the Welsh people a voice on these powers. It is their democracy, their devolutionary process and their futures that are being decided, and some might quite rightly say that if they were worthy of being given the choice then, why not now?

The Under-Secretary has previously said that a referendum was not an absolute manifesto promise, but I contend that it was implied to the people of Wales and to my constituents that a referendum would be offered. I must admit that I am disappointed that it will not be on offer as I campaigned fiercely on the issue. However, after a great deal of soul searching, I will not vote against the Government on this. I hope that we can continue a dialogue on this issue and others to ensure that this Bill provides the very best outcome for our people in Wales.

Albert Owen: It is a pleasure to serve under your chairmanship once again, Mr Gray. Many points that I was going to make have already been raised by other Labour Members, especially by my hon. Friend the Member for Llanelli (Nia Griffith). None the less, I wish to discuss the idea of a referendum on income tax that was raised by my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty), who is no longer in his place. The hon. Member for Gower (Byron Davies) talked about the Conservative manifesto, but I am more concerned with the fact that, under the Wales Act 2014, it is clear that if there were to be a referendum on the devolution of powers to raise income tax, it would be held before the powers could be transferred to the Assembly.

I said on Second Reading that I am a devolutionist. I have long argued that major constitutional changes should be made by referendums, and I supported that in 1997 and 2011. However, in recent weeks I have been persuaded by some of the arguments on whether we should hold referendums on this specific issue and a range of others, including on having a go at the Government of the day. I make that point seriously, because I am not convinced that this is the major constitutional change that it once was. The Assembly already has tax-raising powers, but we do need some safeguards, which is why I will support amendment 11.

I know that you will not allow me to digress too much, Mr Gray, but let me say that I used to support the single transferable vote for elections. In theory, it is great textbook stuff, but as someone who has campaigned regularly in the Republic of Ireland, I can say that the practical implication of that has put me off. I have also been put off referendums over the past few weeks. None the less, we do need to move forward on income tax, and amendment 11 is the right vehicle to help us do that. What it suggests is that both Houses of Parliament in London and the National Assembly for Wales in Cardiff Bay would make that decision. They would have a mature debate on income tax, in which we would look at the whole fiscal framework and the settlement that we have at present.

Like my hon. Friend the Member for Llanelli, I am worried that if we were to give the Assembly the power to raise income tax, this Government would say, “There you are. You now have the tools to do the job. Get on with it and start raising your own taxes”, while they cut the block grant and other fiscal measures. Our Welsh constituencies would end up poorer, which worries me considerably.

It would be fair and right to have safeguards, and it is what the people of Wales want. This Chamber of elected Members and the second Chamber should look at the matter in greater detail along with the National Assembly for Wales. It is right to have that consensus and some safeguards to ensure that the people of Wales are not worse off as a consequence of the measure.

We all know that the Barnett formula has a flaw, and we all argued that in the 2015 election—it was in all our manifestos. I have concerns because for every pound that is spent in the UK, Wales gets £1.15 in return. It gets more than England, but not as much as Northern Ireland or Scotland. In the future, if these income tax measures were given to the Welsh Assembly by a Government who were keen to get rid of them without having that proper debate in both Houses of Parliament and the Welsh Assembly, I would worry that the people whom we are here to represent would be in a worse position. I understand the theory, but it is the practice that worries me, and for that reason, I will support amendment 11.

Dr James Davies (Vale of Clwyd) (Con): With regret, I stand to oppose clause 16, which relates to the removal of the requirement for a referendum on the devolution of income tax or a proportion of it to the Welsh Assembly. I want to give my reasons for that. In Scotland there was a referendum before such a change took place. Also, the manifesto on which I stood for election—both the UK version and the Welsh version—reiterated the requirement for a referendum. When I and other members of the Select Committee on Welsh Affairs scrutinised the draft Wales Bill, it contained no such proposals. We must ask ourselves why at this stage we want to remove the requirement to have a referendum. In other words, why do we want to repeal this requirement that is in the Wales Act 2014? It is clear that the Welsh people would not vote in favour of the devolution of income tax, so this is an attempt to circumvent the will of the people, in my eyes.

Why do we wish to devolve income tax? Financial accountability has been talked about, but I believe that unless and until the Welsh Assembly Government levy the vast majority of taxes, they will continue to blame this place for not being in a position to provide them with limitless funding. Of course, any situation whereby they would levv most taxes would equate more or less to Welsh independence, which I feel the Welsh population do not favour.

If these powers are transferred, what will happen to the level of taxes? We are told by some that the powers would not be used, and if that is true then why would we wish to transfer them to Cardiff? Some, of course, fear that tax levels would be increased and, clearly, from my point of view, that would harm the Welsh economy. Some have suggested that tax could actually be reduced. That is highly unlikely, but if it ever occurred it would undoubtedly lead to calls from some nearby English regions for similar reductions. Any competitive advantages would be eliminated.

From a north Wales perspective, there are 50,000 cross-border commuters every day and 1 million people of working age live on either side of the border. This is a
political border that does not reflect how people live their lives or how businesses operate, and there is already cross-border disparity in the standard of public services, which leads to much frustration. Why would we want to make the situation worse? I believe that differential tax rates could lead to confusion, further complication of an already complex tax system, additional associated costs, and consequences, intended or otherwise, for where people choose to live and work, whether that is in England or Wales.

We have just undergone the latest Assembly elections and, as in the past, disinterest and disengagement were evident, with votes cast primarily on the basis of politics in this place and with reference to the EU referendum, and I am afraid that sums up the level of enthusiasm for more Welsh devolution, at least in my area. It is clear that there is no call or mandate for additional powers and particularly not for tax-raising powers, and I see this as simply yet another step in the gradual break-up of the UK, which my residents do not want. Indeed, now that the prospect of partial income tax devolution has been raised, we are already seeing calls for further tax devolution. I feel strongly that this is an unnecessary and undesirable proposal and, with great regret, I will have no choice but to vote against the clause.

Chris Davies: Last week, I had the great pleasure of congratulating the hon. Member for Newport West (Paul Flynn) on regaining his seat on the Front Bench after a gap of 27 or 28 years. That was in a slightly different role to the one he has taken today, but I am delighted to see him there. I am also more than delighted to see the hon. Member for Swansea East (Carolyn Harris) sitting next to him. Many Members will not know that a certain television company did a programme—it should have been a series—about two MPs trying to get to Westminster. They were me, now the Member for Brecon and Radnorshire, and the hon. Lady. She was my leading lady and I was her leading man, and I am delighted to see that the star is now shining brightly on the Labour Front Bench. That, I am afraid, is where the pleasantries stop, and pleasantries they are, I say to the hon. Lady.

I, too, have reservations and concerns about clause 16. I made my objections clear on Second Reading just a few weeks ago, and here we are, too quickly for my liking, already at Committee stage. I have great concerns about a referendum on income tax. I stood on many a doorstep, on many a street, on many a farm throughout two and a half years of the election campaign, and as we got closer to the election, it was a clear manifesto commitment that we would deliver a referendum on this very important matter. I am deeply disappointed that the Government have decided to do away with that referendum. I have made these feelings clear to various members of the Government and I have made my views clear in this place. Sadly, the Government have decided to go on with the clause and I, too, will vote against it today.

4.45 pm

Do the people of Wales want this clause? Do they want the possibility of the Assembly raising a proportion of their taxes? I have yet to hear one person mention that they would like the Welsh Assembly at Cardiff Bay to have this opportunity. During many hours, over many weeks, and what seem like many months I have, as a member of the Welsh Affairs Committee, heard specialists, lawyers and academics saying that it would be a very good idea, but I have not heard one constituent or one member of the public from Wales request that. It would be a great shame to go ahead with the clause today.

Scotland had the opportunity of a referendum; Wales does not. Bringing forward the clause is wrong and the timing is wrong. The Assembly has not yet, over 17 years, fully delivered on many matters for which it has responsibility. I could go on for hours about health, education and agriculture.

Albert Owen: I heard the hon. Gentleman speak on Second Reading and I am sure he is going to repeat a lot of what he said then about how he dislikes the Assembly, but before he does that, will he seriously consider Labour’s amendment 11, which suggests that we have a pause and that both Houses of Parliament and the Assembly debate this important issue, on which we are to represent our constituents? I respect the hon. Gentleman’s view. He has heard the reasons why I am moving away from demanding a referendum. Will he consider supporting that amendment?

Chris Davies: I may consider it, but at the moment I am thinking about going further, with deep regret, and looking to my first vote against the Government—my first rebellion, which is of great concern to me.

My position is not a criticism of the Welsh Assembly per se or of devolution. It is a criticism of the present incumbents down in Cardiff Bay. They have not delivered for us. Why on earth are we now looking to give them tax-raising powers? Sadly, I do not feel that they would be able to deliver that properly for the people of Wales. With great regret, I will not be able to support the Government’s proposal in this matter.

Mr David Jones (Clwyd West) (Con): I apologise for the fact that I was not here at the beginning of the consideration of this group of amendments. Sadly, I was detained by another engagement.

Like my hon. Friend the Members for Vale of Clwyd (Dr Davies) and for Brecon and Radnorshire (Chris Davies), I have huge concerns about clause 16. I speak as the Secretary of State who took the Wales Bill 2014 through this House. Unlike my hon. Friend the Member for Vale of Clwyd, I was an enthusiast for tax-varying powers for the Welsh Assembly, because I thought that that would introduce a measure of accountability and potentially give the Assembly Government some incentive to introduce a more competitive tax regime in Wales. However, the Wales Act 2014 clearly states that such tax-varying powers should not be implemented until they are triggered by a positive vote in a referendum, and it is still right that such a referendum should be held; after all, tax-varying powers include the power to increase taxes.

If one expects the people of Wales potentially to pay more tax, it is only right that they should first be asked if that is what they want. That is what happened in Scotland in 1997, when the referendum had two separate questions, including one on taxation. Unlike hon. Members who have already spoken, I do not believe that it is beyond the bounds of possibility that the people of Wales would vote for tax-raising powers; after all, that is what the Scots did. However, imposing such a competence on the Welsh Assembly Government without giving the
people of Wales the right to have their say in a referendum is utterly disrespectful of the people of Wales; after all, what was good enough for the Scots should be good enough for the Welsh.

I also share the concerns of my hon. Friend the Member for Vale of Clwyd. I stood in a general election only 14 months ago on a manifesto that made it entirely clear that there would be a referendum before tax-varying powers were triggered, and I do not believe that anything has changed 14 months later. If we make a manifesto pledge, we should adhere to it, so, like my hon. Friend, I will, sadly, be voting against the Government on clause 16. My right hon. Friend the Member for Chesham and Amersham (Mrs Gillan), who is also a former Secretary of State, has asked me to indicate that she will do likewise. Sadly, she is not able to be here at the moment, but she too regards this as a point of principle. I urge my right hon. Friend the Secretary of State to reconsider. By pressing ahead, he is breaking faith with the electorate of Wales.

Paul Flynn: The opening words of the splendid book I referenced earlier are:

"Only the future is certain. The past is always changing."

We have seen splendid examples today of people fictionalising the past. I am proud of the Welsh Assembly, and I am proud that it was a creation of the Labour party in this Parliament. In deciding on its form, it would have been possible for us to adopt a first-past-the-post principle, which would have given Labour a majority in perpetuity. However, for very honourable reasons, it was decided not to do that. We also feared creating what was described at the time as Glamorgan County Council on stilts. There are other examples of socialist and social democrat countries, such as the Nordic countries, which have had parties equivalent to Labour for many decades, and which have produced some of the finest social services and human rights policies in the world.

It is absolutely wrong and mean-spirited not to recognise that the Welsh Assembly, as set up, is probably the finest example of democracy in the British Isles. Many of us were unhappy about the number of UKIP Assembly Members in May, but they gained 13% of the vote and they got 13% of the seats, which is absolutely right. However, for two Parliaments, including the ones when we set up the Assembly, when we could have done anything we liked, 20% of the voters in Wales voted Conservative and did not have a single Conservative Member of this Parliament. Why do people not object to that?

We intend to divide the House on amendment 11. Clause 16 has obviously taken up a great deal of the House’s attention, but Wales is suffering from referendum revulsion, and so are other parts of the country. We have had enough. We have been having these all through my childhood, or whether we close the cinemas on a Sunday or close the pubs on a Sunday. We have overdosed on referendums.

Let us look at examples of public votes, such as the decisions taken by the public to call a boat “Boaty McBoatface”, and in the European referendum. The choice in the European referendum was between two sets of lies by each party. Both sides are embarrassed by what they said a few weeks ago, because it has not happened, after all the dire threats. We do not have £365 million for the health service and we do not have an emergency Budget; one could go on. I am afraid that the referendum on the alternative vote was even more disreputable, with two sets of outrageous lies put before the public. On Vauxhall bridge there was a sign saying, “If you vote for AV you’re in favour of taking protection away from our soldiers in Afghanistan and taking protection away from babies in hospitals”, suggesting that only that sort of person would vote for AV. It was nothing to do with the facts of the case. The propaganda in referendums has got to a level where the results are degraded and distorted. That certainly happened in the European referendum, and I think that faith in the process has gone.

In Wales, with each vote we have—it was a tiny minority the first time—there is momentum to build up trust in the Welsh Assembly. As the hon. Member for Montgomeryshire (Glyn Davies) argued very persuasively, it is not a real parliament unless it has its own tax-raising powers. That is a normal, essential development if we are to see the parliament of which we are so proud, on the soil of our own country for the first time for centuries, grow and take on its own decisions and responsibilities. Clause 16 provides for the removal of the requirement of a referendum on this.

We are grateful for the wisdom and generosity of the Government in how they have treated this Bill. It was a fairly ugly Bill to start with, but they have amended it and accepted all the various suggestions that were made to remove some of its less wise implications. It now has widespread support in the House from all parties and Government Members. Our problem now is that the removal of these powers also takes away the involvement of the Assembly in the process of deciding when they should be brought into force. Quite rightly, several of my hon. Friends have expressed anxieties about what would result from this, because we certainly do not want to legislate for a reduction in the amounts of money that the Welsh Assembly has.

The introduction of Welsh rates of income tax will represent a step change in devolution to Wales, replacing about £2 billion of the Welsh block grant with a more volatile revenue stream. It will therefore be essential that fair and robust new funding arrangements are established before this takes place. A new fiscal framework is required, agreed by the Welsh Government and the Treasury, which addresses each of the new factors that will affect the level of spend on devolved public services in Wales. That fiscal framework should not only cover the offsets made in return for devolved tax revenue but include a long-term commitment to the funding floor announced by the Chancellor in November. The UK Government’s Silk commission, to which we owe a great debt of gratitude, recommended that devolution “of income tax powers...should be conditional upon resolving the issue of fair funding in a way that is agreed by both the Welsh and UK Governments.”

That is absolutely essential. There are fears that this might well be a Trojan horse that could be abused in the way that my hon. Friends have suggested. This issue remains unresolved beyond the next five years. Until the fiscal framework has been agreed, there must be no move to implement the Welsh rates of income tax. The UK Government have agreed a fair fiscal framework with the Scottish Government. It is appreciated that the
model of the Welsh Senedd will develop along the lines of the Scottish Government, but it would be unacceptable for the fiscal framework proposed for Wales to have any less favourable terms than those agreed for Scotland. Amendment 11 addresses that issue by ensuring that the Assembly and both Houses of Parliament have clearly defined roles in ensuring that the conditions are right for income tax powers to be devolved to Wales. It cannot be right that the UK Government could commence powers over income tax in Wales without the approval of the Assembly. I urge the Government to consider those amendments seriously.

5 pm

We believe that clause 10, which is a new addition to the Bill, is unnecessary and inappropriate. Justice impacts are only one part of a much wider process of assessing the impact of Bills. The measure is already provided for in the Assembly’s Standing Orders. The clause goes against the whole thrust of the Bill, which is to sweep away micromanagement of the Assembly and to give it full responsibility for its own procedures. If there are areas of Assembly scrutiny that need strengthening, that is a matter for the Assembly itself to determine. If aspects of Welsh Government planning for Bill implementation need strengthening, they should be addressed through an appropriate intergovernmental protocol.

The clause deals with practical matters that need not be addressed in statute. The key issue is to create a proper joint process for addressing the future of the jurisdiction, as proposed in our amendment to clause 1. The issue is a distraction from the main picture presented and it devalues the Bill.

We have also tabled amendments 14, 15, 13 and 16. Amendment 13 makes provision for the Executive competence of Welsh Ministers to be aligned with the legislative competence of the National Assembly—that is to say that Welsh Ministers should gain all relevant Executive functions in devolved areas. Given that the Government’s intention in producing the Bill was to provide clarity and coherence on the Welsh devolution settlement, it is difficult to understand why such a simple provision as the alignment of Executive and legislative competence has not been included.

The Government have made it clear that they believe that the reserved powers model of devolution is superior to the conferred powers model. That major improvement to the Bill is warmly welcome. It is a great about-turn by the Government and we are glad that they had the humility to accept the criticism they received—some of it was very cruel—about their ugly and hideous first version of the Bill. We are on common ground, but why does the Bill provide for reserved legislative competence while continuing to operate on the basis of the conferred powers model in respect of Executive powers for Welsh Ministers? The continued heavy reliance on transfer of function orders, with their itemised listing of the statutory powers available to Welsh Ministers, is a relic from the past and it should be swept away. We need now fully to accept the logic of the reserved powers model and align legislative and Executive competence in the way proposed by the simple and straightforward formula suggested by amendment 13. It is an amendment of rare literary merit and it should be accepted on that basis alone.

It has become clear that the Government have used the Scotland Act as a guide in developing this Bill, so it is difficult to understand why a fundamental principle of the Scottish devolution settlement is not being replicated in the Wales Bill. The Bill provides for the extension of the competence of the National Assembly in a number of areas. Surely, as the legislative powers of the Assembly expand, it is essential that closer alignment between the legislative and Executive responsibilities is achieved. That is what amendment 13 would achieve, and I urge the Government to accept it.

The further point I would like to make is on the question of borrowing. The current level of capital borrowing permitted to the Welsh Government, £500 million, is unreasonably low given their annual spend of about £14 billion. The Bill provides an opportunity to redress this imbalance by giving Welsh Ministers a more meaningful degree of borrowing power. Both the Holtham commission and the Silk commission recommended setting what amounts to a higher level of capital borrowing for the Welsh Government. The Scottish Government saw an increase in their borrowing capability as part of the recent Scotland Act, and now is the time to do the same for Wales. The new fiscal framework to be agreed by the Welsh Government and the UK Government will set out the terms for any future increase in capital borrowing. At the very least, however, the introduction of Welsh rates and income tax should be accompanied by a significant uplift in the borrowing season.

New clause 6 has been prepared to address this omission. It is a logical consequence of the partial devolution of income tax, which will produce a new revenue stream for the Welsh Government. Increasing the borrowing cap in this way would strengthen the range of financial tools available to the Welsh Government, allowing them to invest in Wales with vital infrastructure. I urge the Government to accept the amendments.

Alun Cairns: It is a pleasure to serve under your chairmanship in this important debate, Mr Gray.

In opening, I say that it is a pleasure to welcome the hon. Member for Newport West (Paul Flynn) to his place. He is the Member of Parliament for my parents-in-law, and an active constituency Member. We all know how active he is, usually on the Back Bench, but it is a pleasure to see him on the Front Bench. I extend a welcome to the hon. Member. Member for Swansea East (Carolyn Harris)—I have some roots in Swansea, having been brought up in that part of the world. I also pay tribute to the hon. Members for Llanelli (Nia Griffith) and for Clwyd South (Susan Elan Jones), for the work that they have put into consistent scrutiny of the Bill in its early stages. I am grateful for the co-operation and support they gave me as we sought to bring about broad agreement on where the Bill stands. There is not agreement on everything, but I am grateful to all Members who have contributed for the broad consensus that has come forward.

Clauses 8 to 21 and the amendments related to them deal with changes to Assembly processes, the devolution of income tax powers, and the functions of Welsh Ministers. Clause 8 would insert a new section into the Government of Wales Act that determines what types of protected subject matter would, if contained in an Assembly Bill, require that that Bill be passed by a
super-majority, which is two thirds of all Assembly Members. The protected subject matters in clause 8 include the name of the Assembly, those entitled to a vote in the Assembly elections, the system used in Assembly elections, the specification or number of Assembly constituencies and regions, and the number of Members returned for each constituency or region. These are in line with the protected subject matters included in the Scotland Act 2016, with two exceptions. The Bill provides that any change to the name of the National Assembly for Wales be subject to a super-majority requirement. The Bill also provides for the specification of constituencies, regions or equivalent electoral areas as protected subject matter. The super-majority requirement will ensure that there is broad support across the Assembly for those fundamental changes.

In the first instance, it would be for the Presiding Officer to determine and make a statement on whether or not an Assembly Bill relates to any of those protected subject matters. It is this part of the clause that amendment 32, tabled by Plaid Cymru, seeks to change. The amendment would remove the requirement for the Presiding Officer’s statement to be made in both the English language and the Welsh language. It would also remove the requirement for the Assembly’s Standing Orders to determine the form of the statement and the manner in which it is to be made.

It goes without saying that the Government are fully committed to the Welsh language. The Wales Office has two Ministers who speak Welsh, of which I am one, and a third Minister who is learning Welsh. It is good to see that the political tension around the Welsh language seems to be a relic of history, which is, I am sure we would all agree, a positive move. But the intention behind proposed new sections 11A(5) and 11A(6) of the Government of Wales Act 2006, as inserted by clause 8, is to ensure that the Welsh language is treated equally with English when the new super-majority processes are incorporated into the workings of the Assembly.

Glyn Davies: Does the Secretary of State agree that it is outrageous for those organisations supporting the Welsh language to assume that because we are leaving the European Union the support for the Welsh language will in some way be greatly diminished? The UK Government and Welsh Government have been huge supporters of the Welsh language, and there is no earthly reason why that should not continue in future.

Alun Cairns: My hon. Friend makes an extremely important point. A broad consensus has developed on the Welsh language over the past few decades, which is very different from what we might have seen before.

Susan Elan Jones: Does that mean we will have a fully bilingual Welsh Grand Committee? I am just hoping.

Alun Cairns: The hon. Lady knows that the Welsh Grand Committee is fully bilingual when it sits in Wales, but when it sits in this place its proceedings are in English, the language of the House.

Ian C. Lucas (Wrexham) (Lab) rose—

Alun Cairns: I am not going to give way, because there are many technical amendments I need to cover and I want to make some progress.

I say to the hon. Member for Arfon (Hywel Williams), who moved amendment 32, that he has made a persuasive argument that the Assembly processes would ensure that Welsh is treated equally anyway, without adding a prescriptive provision to the Government of Wales Act. I would like to give the matter more thought but undertake to return to it on Report. I therefore hope that he will consider withdrawing the amendment.

Hywel Williams: I am grateful to the Secretary of State for that response and will listen to the rest of his speech with interest. I will withdraw the amendment. There is a progression in the normalisation of a language such as Welsh, from a point where it has to be specified to one where it is assumed, which is where we are in the National Assembly. That is an important point to make.

Alun Cairns: The hon. Gentleman makes an extremely important point that demonstrates the maturity of the debate and the acceptance of the language.

Clause 8 also provides for the Counsel General or the Attorney General to be able to refer the question of whether a provision of an Assembly Bill relates to a protected matter to the Supreme Court for a decision. The Counsel General or the Attorney General may make such a reference to the Supreme Court at any time during a period of four weeks from either the Assembly rejecting the Assembly Bill or its being passed.

There is precedent for a requirement for a super-majority on matters of constitutional importance. Under the Government of Wales Act 2006, the Assembly vote that triggered the 2011 referendum on Assembly powers required two thirds of Assembly Members to vote in favour. The Government believe that the safeguards in the Bill are sensible and command broad support across Wales.

Supplementing clause 8, clause 9 amends requirements for the Assembly Standing Orders on Assembly Bill proceedings, to reflect the new processes required as a result of a reference to the Supreme Court. The clause provides for Assembly Bills to be reconsidered by the Assembly in the event that the Supreme Court rules against the Presiding Officer’s decision on whether the Bill relates to a protected subject matter. That is in line with procedures put in place for the Scottish Parliament in the Scotland Act 2016, which has been passed by both Houses.

Clause 10 relates to justice impact assessments, on which there was considerable debate. The UK Government and Welsh Government have a number of well-established processes for assessing the impact of legislation on matters ranging from regulation to equalities. Indeed, on Second Reading I discussed the fact that Assembly Bills are assessed against their likely impact on the Welsh language and on equalities. It is also important to recognise that, through the Treasury and a range of other Departments, Her Majesty’s Government issue guidance and requirements relating to expectations of how public spending will be conducted and how public interests will be guarded. That is the principle under which the justice impact assessment should be considered, rather than how it has been interpreted by many.

Within the UK Government, Departments bringing legislation forward to this House are required to assess its likely impact on the justice system. The importance
of that assessment is self-evident: for legislation to be effective it must be enforceable. It is vital that that enforcement process is ready and resourced sufficiently to cope with new demands placed upon it.

5.15 pm

We recognise the need for Assembly legislation to make effective enforcement provision, and we are putting that beyond doubt in the Bill. Schedule 2 introduces new schedule 7B to the Government of Wales Act 2006, to make it clear that the Assembly may modify private law for a devolved purpose, and that only certain core elements of criminal law are outside its competence. The Assembly will be able to create and modify offences for the purpose of enforcing devolved provisions. It has the power to create civil or criminal sanctions against wrongdoing, defer decision making to the courts, or provide for appeals on a range of devolved matters—indeed, it does so already.

The England and Wales justice system shoulders a significant portion of the burden of enforcement regimes. Impacts are felt across the justice system, including by the courts, the judiciary and lawyers—many of those points have been rehearsed in this debate and on Second Reading. I underline the need for proper consideration of any new legislation, so that the Ministry of Justice and the justice system can adjust their working practices to cope with those necessary changes.

Clause 11 makes a minor change to Assembly procedure to enable the Presiding Officer to submit Bills for Royal Assent. As the Silk commission recommended, and as we set out in the St David’s day agreement, we are aligning Royal Assent processes for the Assembly with those in Scotland. That means that in future the Presiding Officer, rather than the Clerk of the Assembly, will submit Bills for Royal Assent and deal with other related processes.

Clause 12 allows the National Assembly for Wales to design and put in place accounting and audit arrangements for devolved bodies. Taking on those responsibilities is a natural next step in the progress of devolution to the Assembly. Under the Scotland Acts, the Scottish Parliament has similar arrangements. The Government of Wales Act 2006 is extremely prescriptive about the budgeting process of the National Assembly for Wales, but the Government believe that such arrangements are outdated and no longer appropriate for a mature legislature. Clause 12 therefore allows the Assembly to legislate for comprehensive accountancy arrangements, including the preparation and publication of accounts, and the functions of the Auditor General for Wales. That replaces previous arrangements for financial controls in the 2006 Act. Given the significant powers now devolved to the Assembly, the Government believe that the time is right to update those arrangements.

Amendment 33 would add to clause 12, but I believe that it goes further than is necessary. Clause 12 concerns what the Assembly must legislate for to ensure that its practices fit with international best practice and what the people of Wales want. I do not believe that we should change that arrangement in the way proposed in the amendment. Under clause 12, the Assembly will have significant control over its own affairs, but it would not be in line with international best practice or arrangements in other devolved Administrations to give the Assembly the extra responsibility that amendment 33 would provide. Clause 12 already devolves significant responsibility to the Assembly, and amendment 33 is not the right way to do that.

Clause 13 relates to the composition of Assembly Committees, and clause 14 relates to the Secretary of State addressing the National Assembly for Wales, as I will be doing tomorrow with pleasure. However, those clauses are out of date and undermine the maturity of the Assembly, because it is not for this place to dictate the composition of Assembly Committees, or to say that the Secretary of State should have the right to address the Assembly once a year. I am therefore pleased that we are acting to remove those clauses.

Clause 15 makes consequential changes that arise from the Assembly changing its name in an Act. The Bill will empower the Assembly to manage its own affairs, including changing its name if it wishes. The Assembly will be able to change its name to the Welsh Parliament or the Welsh Senedd, or whatever it deems appropriate, and the clause will ensure that any change of name in law is reflected throughout the statute book.

Amendments 38 to 45, tabled by the hon. Members for Arfon, for Dwyfor Meirionnydd (Liz Saville Roberts) and for Carmarthen East and Dinefwr (Jonathan Edwards), seek to amend clause 15. The amendments would ensure that if the Assembly changes its name, any Welsh language references in the statute book to the National Assembly for Wales, the National Assembly for Wales Commission and other related bodies would reflect the change. The amendments seek to change these references across the statute book in the same way that the clause currently provides for changes to the Assembly's name in the English language. Amendment 38 also seeks to change the title of the clause, presumably because references to translation could be misinterpreted in the context of the other amendments proposed.

As I have already said, the Government are fully committed to the Welsh language. It is our greatest inheritance as a nation and we have a responsibility to continue to develop it. On the face of it, the amendments would make sensible changes to the clause to ensure changes to the statute book, as a result of the Assembly changing its name, would be reflected elsewhere in legislation. I would like to reflect on the amendment, consult Opposition parties, and return to this subject on Report.

Clause 16 and amendment 11 dominated much of the debate. Clause 16 removes the need for a referendum before Welsh rates of income tax are introduced. Back in 2012, the Silk commission’s first report recommended a referendum before a Welsh rate of income tax could be implemented. The Government agreed to the recommendation and the Wales Act 2014 provided for a referendum if the Assembly voted, by a two-thirds majority, to trigger one.

The debate, however, has moved on substantially since that time. There is clearly a strong consensus that Welsh devolution has moved on since the 2014 Act and the Welsh Government should not have to call a referendum before assuming the power to raise, vary or even reduce a portion of income tax. The Welsh Government cannot carry on being akin to a large UK spending Department. That does not create a positive environment for political debate, with a healthy level of accountability. There is already a precedent for devolving tax-varying powers without the need for a referendum.
Mr David Jones: Will my right hon. Friend explain what extraordinary event has happened in the past 14 months to move devolution on to such a large extent?

Alun Cairns: I am grateful to my right hon. Friend for his intervention. I was about to go on to say that two important principles have been acknowledged. First, the Assembly is more mature. That is reflected in the legislation we are passing to enable the Assembly to reach out and respond further to Welsh needs.

Secondly, when my right hon. Friend was Secretary of State for Wales, he established the principle of devolving significant tax-varying powers without a referendum. In the 2014 Act, the devolution of stamp duty land tax and the aggregates levy, in addition to powers over council tax and the subsequent full devolution of business rates to Wales, account for a broad income of £2.5 billion. The Welsh rate of income tax, which we propose to devolve is—at about £2 billion—significantly less than that. This important principle has been accepted positively by the Welsh public and by civic society. That stands firm and is a backstop to clause 16.

Mr David Jones: Does my right hon. Friend accept that the significant difference is that very many more people pay income tax than pay stamp duty land tax or landfill tax? Is that not the point, that it affects nearly everybody in Wales?

Alun Cairns: I remind my right hon. Friend that a similar number of people who pay income tax also pay council tax, and that many will be business owners who pay business rates.

Much reference has been made to the Welsh Conservative manifesto and I remind right hon. and hon. Members what it said. Our manifesto for Wales stated that a funding floor would be introduced in the expectation that the Welsh Government would hold a referendum. We have fulfilled our end of the bargain, having introduced a funding floor of 115%, as has been mentioned. That is the floor—if I may gently correct the hon. Member for Ynys Môn (Albert Owen)—and the spending level is currently higher. If the Welsh Government are not going to introduce a referendum—I do not think that any of us want one after the events of recent weeks—we will need to take steps, so I hope that the House will agree clause 16 as it stands.

Clauses 17 and 20 deal with the functions of Welsh Ministers and devolve important new powers to them. Clause 17 will insert new subsection 58A into the Government of Wales Act 2006, conferring common law-type powers on Welsh Ministers—the kinds of powers exercised by a natural person, such as the power to enter into contracts, make payments or set up companies. It is difficult to believe that Welsh Ministers do not already hold these powers, and it demonstrates how current legislation is out of date with modern thinking and concerns.

Clause 19 deals with the transfer of ministerial functions. The Bill provides for a clear separation between devolved and reserved powers, an important component in which is being clear about which so-called pre-commencement Minister of the Crown functions in devolved powers are to be exercised in the future. We intend to transfer to Welsh Ministers as many of these functions as we can. We will do so in a transfer of functions order made under section 58 of the Government of Wales Act and will bring forward a draft order during later stages of the Bill. Several other transfer of functions orders have been made under section 58 since the Assembly was established.

I turn now to amendment 11, tabled by Labour, which would place a requirement in the Bill for a so-called fiscal framework. I should underline that the precedent in Scotland was not for the inclusion of such a provision in legislation; instead, the UK and Scottish Governments negotiated an agreement. I would hope that a mature relationship has developed between the Welsh and UK Governments, and between the First Minister and me, in respect of how we conduct our affairs. Clearly, there is no way I want to see Wales in a detrimental position—that is the starting point of our negotiations—and I am optimistic that we can come to an agreement over the appropriate adjustments to the Welsh block. Holtham has made some recommendations that are a good starting point for those discussions. Few people believed we would ever get to the position of introducing a funding floor. I hope, therefore, that that funding floor of 115% might give people confidence.

I would like us to reach a position where the Welsh Government can grant a legislative consent motion. Under the model we followed in Scotland, a legislative consent motion came only after the fiscal framework was agreed. I would hope that, once we have reached an agreement on a fiscal framework and a Barnett adjustment, a legislative consent motion could then be used as proof and evidence. For that reason, the amendment proposed is unnecessary—appropriate structures are in place to allow for that mature discussion to take place.

Amendment, by leave, withdrawn.
Clause 8 ordered to stand part of the Bill.

Hywel Williams: We have had a wide-ranging debate, including on issues not really to do with the lead amendment. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.
Clause 8 ordered to stand part of the Bill.
Clause 9 ordered to stand part of the Bill.

Clause 10

INTRODUCTION OF BILLS: JUSTICE IMPACT ASSESSMENT

Question put, That the clause stand part of the Bill.

The Committee divided: Ayes 294, Noes 228.

Division No. 33] [5.29 pm

AYES

Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Ansell, Caroline
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Baker, Mr Steve
Baldwin, Hammet
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Question accordingly agreed to.
Clause 10 ordered to stand part of the Bill.
Clauses 11 to 15 ordered to stand part of the Bill.

Clause 16

WELSH RATES OF INCOME TAX: REMOVAL OF REFERENDUM REQUIREMENT

Amendment proposed: 11, page 14, leave out lines 30 and 31 and insert—

“(a) for subsection (1) substitute—

(1) Before the commencement of sections 8 and 9, the Secretary of State must lay a statement (“a fiscal framework”) before each House of Parliament setting out the arrangements for calculating and making payments into the Welsh Consolidated Fund under section 118 of the Government of Wales Act 2006 following the commencement of those sections.

(1A) The Secretary of State must send a copy of the fiscal framework to the First Minister for Wales and the First Minister must lay it before the Assembly.”

(b) after subsection (2) insert—

“(2A) But an order may not be made under subsection (2) until a fiscal framework laid under this section has been approved by resolution of both Houses of Parliament and of the Assembly.”
Clause 16(3)(a) omits subsection 14(1) of the Wales Act 2014, which applies the power of the Treasury to commence the income tax provisions of that Act by order where the majority of the voters in a referendum in Wales vote in favour of the income tax provisions coming into force. This amendment omits the provision but replaces it with provision for a fiscal framework to be prepared by the Secretary of State, which must be approved by the Assembly and each House of Parliament before the income tax provisions may be commenced by order made by the Treasury.

Question put, That the amendment be made.

The Committee divided:

Division No. 34

AYES

Abe, Henry
Adams, Caroline
Adams, John
Adams, Nick
Adams, Paul
Adams, Stephen
Adams, Vernon
Adamski, Cezary
Adamski, Jack
Adcock, Mark
Adie, Paul
Akhmed, Michael
Akehurst, Richard
Aldous, Peter
Allen, Ben
Allen, Caroline
Allen, Cheryl
Allin-Khan, Dr Rosena
Anderson, Mr David
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Barron, rh Kevin
Beckett, rh Margaret
Benn, rh Hilary
Betts, Mr Clive
Blackman-Woods, Dr Roberta
Blenkinsop, Tom
Blomfield, Paul
Brady, Patrick
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Hilary
Buck, Ms Karen
Burnham, Michael
Burke, Clive
Butler, Dawn
Byrne, rh Liam
Cadbury, Ruth
Campbell, rh Mr Alan
Champion, Sarah
Chapman, Jenny
Chwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, rh Yvette
Corbyn, rh Jeremy
Coyle, Neil
Creagh, Mary
Creasy, Stella
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Danczuk, Simon
David, Wayne
Davies, Geraint
Doughty, Stephen
Dow, Jim
Dowd, Peter
Dromey, Jack
Eagle, Ms Angela
Efferd, Clive
Elliot, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Field, rh Frank
Fitzpatrick, Jim
Fello, Robert
Fletcher, Colleen
Flint, rh Caroline
Flynn, Paul
Furniss, Gill
Gapes, Mike
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Green, Kate
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hanson, rh Mr David
Harris, Carolyn
Hayman, Sue
Healey, rh John
Hendrick, Mr Mark
Hillier, Meg
Hodgson, Mrs Sharon
Holker, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hu, Dr Ruia
Hussain, Imran
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Gerald
Jones, Mr Kevan
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Kinnock, Stephen
Kyle, Peter
Lammy, rh Mr David
Lavery, Ian
Leslie, Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Long Bailey, Rebecca
Lucas, Ian C.
Lynch, Holly
Maclaggart, rh Fiona
Madders, Justin
Mahmood, Mr Khalid
Mann, John
Marrs, Rob
Marsden, Mr Gordon
Maskell, Rachael
Matheson, Christian
McCabe, Steve
McCarthy, Kerry
McDonald, Andy
McDonnell, John
McFadden, rh Mr Pat
McGinn, Conan
McGovern, Alison
McKinney, Catherine
Mearns, Ian
Moon, Mrs Madeleine
Morden, Jessica
Nandy, Lisa
Onn, Melanie
Onwurah, Chi
Owen, Albert
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Pound, Stephen
Powell, Lucy
Qureshi, Yasmin
Rayner, Angela
Reed, Mr Jamie
Rees, Christina
Rees, Rachel
Reynolds, Jonathan
Rimmer, Marie
Robinson, Mr Geoffrey
Rotherham, Steve
Sheerman, Mr Barry

NOES

Abram, Rh David
Allison, Neil
Allison, Paul
Allison, Simon
Allison, Stephen
Allison, Tim
Allison, Susie
Allison, Yvette
Allison-Scott, Mims
Allman, Mark
Allman, Patrick
Allen, Craig
Allen, Ged
Allen, Graham
Allen, Gemma
Allen, Jackie
Allen, Mr Richard
Allen, Stephen
Allin-Khan, Dr Rosena
Anderson, Mr David
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Barron, rh Kevin
Beckett, rh Margaret
Benn, rh Hilary
Betts, Mr Clive
Blackman-Woods, Dr Roberta
Blenkinsop, Tom
Blomfield, Paul
Brady, Patrick
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Hilary
Buck, Ms Karen
Burnham, Michael
Burke, Clive
Butler, Dawn
Byrne, rh Liam
Cadbury, Ruth
Campbell, rh Mr Alan
Champion, Sarah
Chapman, Jenny
Chwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, rh Yvette
Corbyn, rh Jeremy
Coyle, Neil
Creagh, Mary
Creasy, Stella
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Danczuk, Simon
David, Wayne
Davies, Geraint
Doughty, Stephen
Dow, Jim
Dowd, Peter
Dromey, Jack
Eagle, Ms Angela
Efferd, Clive
Elliot, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Field, rh Frank
Fitzpatrick, Jim
Fello, Robert
Fletcher, Colleen
Flint, rh Caroline
Flynn, Paul
Furniss, Gill
Gapes, Mike
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Green, Kate
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hanson, rh Mr David
Harris, Carolyn
Hayman, Sue
Healey, rh John
Hendrick, Mr Mark
Hillier, Meg
Hodgson, Mrs Sharon
Holker, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hu, Dr Ruia
Hussain, Imran
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Gerald
Jones, Mr Kevan
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Kinnock, Stephen
Kyle, Peter
Lammy, rh Mr David
Lavery, Ian
Leslie, Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Long Bailey, Rebecca
Lucas, Ian C.
Lynch, Holly
Maclaggart, rh Fiona
Madders, Justin
Mahmood, Mr Khalid
Mann, John
Marrs, Rob
Marsden, Mr Gordon
Maskell, Rachael
Matheson, Christian
McCabe, Steve
McCarthy, Kerry
McDonald, Andy
McDonnell, John
McFadden, rh Mr Pat
McGinn, Conan
McGovern, Alison
McKinney, Catherine
Mearns, Ian
Moon, Mrs Madeleine
Morden, Jessica
Nandy, Lisa
Onn, Melanie
Onwurah, Chi
Owen, Albert
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Pound, Stephen
Powell, Lucy
Qureshi, Yasmin
Rayner, Angela
Reed, Mr Jamie
Rees, Christina
Rees, Rachel
Reynolds, Jonathan
Rimmer, Marie
Robinson, Mr Geoffrey
Rotherham, Steve
Sheerman, Mr Barry

(c) for the heading substitute “Fiscal framework and commencement of income tax provisions.””—(Paul Flynn.)
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Dorries, Nadine
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Ephniche, Charlie
Eustice, George
Evans, Graham
Evens, rh Mr David
Fallon, rh Michael
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Fox, rh Dr Liam
Frazer, Lucy
Freeman, George
Fuller, Richard
Fysh, Marcus
Gale, Sir Roger
Garnier, rh Sir Edward
Garnier, Mark
Gauke, Mr David
Ghani, Nusrat
Gibb, Mr Nick
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Graying, rh Chris
Green, Chris
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Guerra, Ben
Gyimah, Mr Sam
Hallam, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matthew
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollnike, Kevin
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howell, John
Howlett, Ben
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Javid, rh Sajid
Jenkin, Mr Bernard
Jenkyns, Andrea
Jennick, Robert
Johnson, Boris
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Kennedy, Seema
Knight, rh Sir Greg
Knight, Julian
Kwaweng, Kwasi
Lancaster, Mark
Leadsom, Andrea
Lee, Dr Phillip
Leigh, Sir Edward
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Mackinlay, Craig
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Maynard, Paul
McCartney, Jason
McCartney, Karl
McLoughlin, rh Mr Patrick
McPartland, Stephen
Mercer, Johnny
Merriman, Huw
Metcalf, Stephen
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, rh Nicky
Morris, Anne Marie
Morris, James
Morton, Wendy
Mowat, David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Newton, Sarah
Nokes, Caroline
Nomine, Jesse
Nuttall, Mr David
Offord, Dr Matthew
Opperman, Guy
Parish, Neil
Patel, rh Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Philp, Chris
Pickles, rh Sir Eric
Pincher, Christopher
Poulter, Dr Daniel
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pritchard, Mark
Purseglove, Tom
Quin, Jeremy
Quince, Will
Raab, Mr Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, rh Mr Laurence
Robinson, Gavin
Robinson, Mary
Rosindell, Andrew
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Julian
Smith, Royston
Solloway, Amanda
Souby, rh Anna
Spelman, rh Mrs Caroline
Spencer, Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Streeter, Mr Gary
Stride, Mel
Stuart, Graham
Sturdy, Julian
Sunak, Rishi

Swayne, rh Sir Desmond
Swire, rh Mr Hugo
Syms, Mr Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tohur, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Turner, Mr Andrew
Tyrie, rh Mr Andrew
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Warburton, David
Wharton, James
Whately, Helen
 Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williams, Craig
Williamson, rh Gavin
Wilson, Mr Rob
Wilson, Sammy
Wollaston, Dr Sarah
Wood, Mike
Wragg, William
Wright, rh Jeremy

Tellers for the Noes:
Margot James and
Simon Kirby

Question accordingly negatived.

Question put, That the clause stand part of the Bill.
The Committee divided: Ayes 285, Noes 7.

Division No. 35] [5.58 pm

AYES

Blackwood, Nicola
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Brake, rh Tom
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, rh James
Buckland, Robert
Burns, Conor
Burt, rh Alistair
Cairns, rh Alan
Campbell, Mr Gregory
Carmichael, rh Mr Alistair
Carmichael, Neil
Cartwright, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex

Afnie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Ansell, Caroline
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Bellingham, Sir Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Berry, James
Bingham, Andrew

Bingham, Andrew
Berry, James
Bebb, Guto
Hart, Simon
Harris, Rebecca
Harper, Mr Mark
Hammond, Stephen
Harper, rh Robert
Gyimah, Mr Sam
Gummer, Ben
Griffiths, Andrew
Guemmer, Ben
Gyimah, Mr Sam
Hallon, rh Robert
Hall, Luke
Hammond, Stephen
Harper, rh Mr Mark
Harris, Rebecca
Hart, Simon

Hayes, rh Mr John
Heald, Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howell, John
Howlett, Ben
Hudleston, Nigel
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Javid, rh Sajid
Jenkyns, Andrea
Jennick, Robert
Johnson, Boris
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Kennedy, Seema
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lamb, rh Norman
Lancaster, Mark
Leadsom, Andrea
Lee, Dr Philip
Leigh, Sir Edward
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Liddington, rh Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Mackinlay, Craig
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Maynard, Paul
McCARTHY, Jason
McCARTHY, Carl
McLoughlin, rh Mr Patrick
McPartland, Stephen
Mercer, Johnny
Merriman, Huw
Metcalf, Stephen
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, rh Nicky
Morris, Anne Marie
Morris, James
Morton, Wendy
Mowat, David
Mulholland, Greg
Murray, Mrs Sheryl
Murrison, Dr Andrew
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Dr Matthew
Opperman, Guy
Parish, Neil
Patel, rh Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Philp, Chris
Pickles, rh Sir Eric
Pincher, Christopher
Poulter, Dr Daniel
Pow, Rebecca
Prentis, Victoria
Prisk, rh Mr Mark
Pritchard, Mark
Pugh, John
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Mr Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, rh Laurence
Robinson, Gavin
Robinson, Mary
Rosindell, Andrew
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Saville Roberts, Liz
Scully, Paul
Shapps, rh Grant
Sharma, Alok
Shebbeare, Alec
Simpson, David
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Julian
Smith, Royston
Solloway, Amanda
Soubry, rh Anna
Spelman, rh Mrs Caroline
Spencer, Mark
Stephenson, Andrew

Shannon, Jim
Wollaston, Dr Sarah
Wood, Mike
Wrang, William
Wright, rh Jeremy

Wales Bill
5 JULY 2016
Wales Bill

Chishti, Rehman
Churchill, Jo
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Therese
Collins, Damian
Colville, Oliver
Costa, Alberto
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Byron
Davies, Glynn
Davies, Mims
Davies, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Dorries, Nadine
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Edwards, Jonathan
Elliot, Tom
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evennett, rh Mr David
Falcon, rh Michael
Farron, Tim
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Fox, rh Dr Liam
Frazer, Lucy
Freeman, George
Fuller, Richard
Fysh, Marcus
Gale, Sir Roger
Garnier, Mark
Gauke, Mr David
Ghani, Nusrat
Gibb, Mr Nick
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Guemmer, Ben
Gyimah, Mr Sam
Hallon, rh Robert
Hall, Luke
Hammond, Stephen
Harper, rh Mr Mark
Harris, Rebecca
Hart, Simon

Question accordingly agreed to.
Clause 16 ordered to stand part of the Bill.
Clauses 17 to 19 ordered to stand part of the Bill.
Schedule 3 agreed to.
Clauses 20 and 21 ordered to stand part of the Bill.
To report progress and ask leave to sit again.—(Charlie Elphicke.)
The Deputy Speaker resumed the Chair.
Progress reported; Committee to sit again tomorrow.
EU Referendum: Race Hate Crime

Motion made, and Question proposed. That this House do now adjourn.—(Charlie Elphicke.)

Yasmin Qureshi (Bolton South East) (Lab): I want to make it clear that this Adjournment debate is not about people who voted to leave. Many good people voted to leave, as they believed we will be better off out of the European Union. Today’s debate is about the rhetoric and images used by some in the leave campaign.

Growing up as the child of Pakistani immigrants in the 1970s, I frequently received abuse such as “Go back to your country” or “You smell of curry.” Often, the words I heard were, “Go back home.” The words stung because they implied that I did not truly belong in this country. Growing up, this taunt haunted many of my generation and others as well. Words such as “Paki” and signs on doors saying, “No blacks, no Irish, no dogs” still haunt many of us.

If we fast-forward to 2016, it feels like nothing has changed. I still receive abuse, and it is not just racially motivated. I have frequently been subjected to rape and death threats online—often I am told I should be sent to Saudi Arabia to be raped and lynched—but I will not be frightened off, despite the fact that I am one of those MPs who regularly hold drop-in surgeries in my constituency and I have no idea who will come to see me. These people will not prevent me from carrying on connecting with my constituents and giving them the best service I can.

Karl Turner (Kingston upon Hull East) (Lab): I have been contacted by my constituent Leroy Vickers, who describes four very serious incidents of racially aggravated offences. He says that in the past two days he has witnessed a man on a bus telling a passenger, “Get off the bus, Paki”, witnessed racially aggravated abuse in a takeaway, and heard a man of Jamaican descent say that for the first time since he was about five or six he is hearing the N word used regularly. What does my hon. Friend say to that?

Yasmin Qureshi: That is also the experience of so many of the constituents and other people who have written to me. That is why I am very grateful that I managed to get this Adjournment debate.

We have had words such as, “Go home, Polish vermin”, posted through the letterboxes of Polish residents in Cambridgeshire; heard of young Muslim school girls being cornered and intimidated, with people saying, “Get out, we voted leave” and “I can even give you a suitcase”; and seen signs in Newcastle urging the Government, “Stop immigration and start repatriation”, with words such as “This is England, we are white, get out of my country”.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): My hon. Friend is making some strong, powerful and deeply disturbing points. Does she agree, though, that it is not just in the context of the referendum that we have seen hate crime increasing? I saw this horror in last year’s general election. In just one street in my constituency, somebody told me that that they would not vote Labour because all we did was support the N word, another person pointed to a black woman in the
street and told her she should go home, another told me that gay people should be killed and sent to hell, there was a race hate attack in a fish and chip shop at the end of the road, and somebody said that we needed to stand up against the Jews. That was all in one street. Does she agree that this has been going on for some time? It has been a problem in the referendum, but it has been coming for a while.

Yasmin Qureshi: I absolutely agree. Later in my speech I will deal with fact that this has been going on for some time.

Since last week, I have been inundated with emails, tweets and messages detailing hundreds of horrific incidents that have taken place. I understand that since last Friday, True Vision, the Government website to combat hate crime, has recorded a fivefold increase in reports to the police from the public, with 331 incidents since the day the referendum was held. The weekly average used to be 63 reports. In my own region, Greater Manchester, there has been a 50% increase in the number of hate crimes reported in the past week. There has been a very famous incident on YouTube showing an American professor who was abused by people.

Keith Vaz (Leicester East) (Lab): May I wish my hon. Friend a very happy birthday? She is obviously a very dedicated Member of this House to be spending this evening here with us discussing these events rather than celebrating her birthday.

May I also say how much I agree with what my hon. Friend has said? I have just received a letter from the Metropolitan Police Commissioner telling me that the number of hate crimes in London has gone up from 20 a day to 60—a huge increase. Does she agree that it is very important that there is consistency among all the police forces—in Lancashire, in the Met—in dealing with this problem?

Yasmin Qureshi: I absolutely agree. We need consistency throughout the country in how these cases are dealt with. I thank my right hon. Friend for remembering my birthday.

Many here will know or remember that on 15 February 1971 Enoch Powell stood up to speak at Carlisle and Barnstead Young Conservatives club in Surrey. It was three years since he had made his incendiary “rivers of blood” speech, and now he was returning to the subject of immigration. Mass immigration, Powell claimed, led to the native British seeing their towns “changed, their native places turned into foreign lands, and themselves displaced as if by a systematic colonisation.”

Three members of the shadow Cabinet threatened to resign unless Mr Powell was sacked. Mr Heath dismissed him.

I, like many other Members, was horrified by the return of such language during the recent referendum. I felt revulsion—I am sure many others did too—on seeing the image of Mr Farage proudly unveiling his “breaking point” poster, featuring Syrian refugees, a week before the referendum. It was the visual equivalent of the “rivers of blood” speech. The poster shows a crowd flowing towards us—face after face, an apparently unending human tide. The nearest faces are in sharp focus, the furthest a blur of strangers. Even though they are human beings, they seem to be aliens.

Nigel Farage and the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith) frequently made false claims that immigration, not austerity, is the reason that health, social care and schools are under pressure, fostering the myth that immigrants drain our resources rather than enhance them.

That is scaremongering in its most extreme and vile form. The leave campaign played on people’s genuine fears about poverty, unemployment and deprivation, especially in areas facing generational unemployment that have long been neglected for the past 20 to 30 years. Immigration is not the cause of social inequality, and such scaremongering does not and will not address the root causes of the problems faced by so many. It is successive Governments who have failed to deal with the issue of social and economic inequality. The gap between the rich and the poor is now even bigger, and five families in the United Kingdom own some 20% of the UK’s wealth. The issues that need to be addressed—such as eradicating poverty and providing equal opportunities—are not being tackled. Immigrants are accused of being the cause of all that and they are used as a natural target—that is what Vote Leave campaigners campaigned on.

Jim Shannon (Strangford) (DUP): As one of the 17.4 million people who voted to leave, I totally and wholeheartedly condemn the attacks. Immigrants who come to my constituency of Strangford get employment and jobs, and they get married and buy houses. I acknowledge the valuable contribution they make. Whatever hate crimes have been carried out, they have not been carried out in my name or in those of the 17.4 million people who voted leave.

Yasmin Qureshi: I entirely agree with the hon. Gentleman. That is why I said when I started my speech that this is not about leaving or about people who voted to leave; as I said, many of them had very good reasons for doing so. I am talking about some of the people who led the campaign.

Mr Powell foresaw an unchecked inflow of black immigrants creating civil war. The UKIP poster told us absolutely the same thing about the people headed our way, it claimed, “across borderless Europe”. The tide of faces sums up exactly the same image as the swarms and rivers and hordes of otherness and racial difference that Powell spoke against in 1968 and that so many others—the National Front and the British National party among them—have tried to evoke over the years. I do not think that the creators of the UKIP poster would be insulted by that Enoch Powell comparison. They assume that we all share their unease with racial diversity. It was no wonder that the poster was reported to the police for inciting racial hatred.

The referendum was one of the ugliest political campaigns that I have witnessed in my life. Leave campaigners could have talked about the need for reform, the Transatlantic Trade and Investment Partnership, economic considerations and a whole host of other things. Instead, they chose to make the debate about the mythical “other”—the immigrant who is stealing our jobs and resources and taking our homes. They seemed to cry, “If only we could close the door, then Britain will be great again and all our problems will be gone.” I am afraid to say that the tone taken on immigration by some of the leave campaigners has made racism socially acceptable again.
Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): I congratulate my hon. Friend on securing this important debate and agree with all the points she has raised. I am sure she agrees with me that these actions against EU nationals, including the Polish people in my constituency who are having letters put through their letterboxes telling them to go home, are deeply deplorable and should be condemned.

Yasmin Qureshi: I absolutely condemn the vitriolic abuse that the Polish community has received over the years. I would add to that that a lot of European nationals in this country are now very concerned about their status and their citizenship rights. I will ask the Minister to ensure that the Government deal with this issue fairly urgently to bring reassurance to a lot of EU nationals living in the United Kingdom.

The hon. Member for Uxbridge and South Ruislip (Boris Johnson) claimed that Brexit would stop “uncontrolled immigration”, suggesting images of hordes of people rushing to our shores. During a televised EU debate, a member of the audience asked Mr Farage to explain how he would reduce racial tensions in the light of such rhetoric. Not only did he ignore her question, but later her Twitter timeline was filled with horrific abuse from his supporters. We must acknowledge that the abusers now feel more confident in making these claims because of Mr Farage’s frequent racist comments and claims that he can restore Britain’s place in the world.

Stephen Doughty: I thank my hon. Friend for giving way again; she is being incredibly generous. She made a point about Twitter. Does she agree that social media companies and internet providers have a great deal of responsibility here? It is not easy enough to report or deal with hate crime, of all sorts, and the internet is currently filled with abuse, whether it is anti-Semitic, anti-Muslim, anti-gay or anti-women. Many Members of this Chamber have experienced that abuse in recent days, from the left and from the right, and the companies and internet providers have a great deal of responsibility here. Does she agree that social media companies deal with these issues responsibly and that the thing people have been saying in making these claims because of Mr Farage’s frequent racist comments and claims that he can restore Britain’s place in the world.

Yasmin Qureshi: I absolutely agree. It is so difficult to make a complaint. I am one of those people who can relate, on a personal level, the amount of abuse that I have received. When I tried to contact the organisations concerned, I got nowhere. It is important that we think about how we can regulate that and ensure that social media companies deal with these issues responsibly and monitor the posts that are being put on their sites. It seems that most of them completely fail to do that.

There have been constant calls that we are claiming our country back. After the Brexit campaign won, the first comment from Mr Farage was, “We have got our country back”, suggesting that it had been under the control of somebody else. These are the types of irresponsible comments that feed into people not liking immigrants—the “other”. Sadly, some senior politicians who perhaps should know better did the same, including the Prime Minister, when he talked last year about the “swarm” of migrants in Europe, and they have failed, time and time again, to stop the spread of such anti-immigrant feeling.

Catherine West (Hornsey and Wood Green) (Lab): It seems that confusion is being deliberately stoked on the definition of a refugee versus somebody exercising their right, or their former right, to freedom of movement across Europe, and other categories of non-European migration. In general, this leads to a sense that there is a lack of education about what migration actually is.

Yasmin Qureshi: I absolutely agree with that. Very disturbingly, one of the arguments used by some leave campaigners was that the refugees who are fleeing war-torn countries such as Syria will come here as terrorists, and that, if we were to leave the European Union, they would not be able to come and somehow we would become safe. That feeds into the “anti-other”, or anti-immigrant, sentiment, and that is irresponsible.

Sadly, as of now, not a single prominent leave campaigner has uttered any condemnation of the rise of racial hatred or, better still, called for unity to heal the deeply dangerous divisions that have been created. Does the Minister agree that we now need a cross-party coalition to make sure that future campaigns on such issues are conducted according to some sort of code of conduct that ensures that we never again allow our political language to become so irresponsible?

The media have not exactly played a good role in this, either. We must consider the media and journalists who portray such politicians as colourful eccentric characters, whose outrageous comments are seen for their entertainment value and as being honest. How many times have we heard, “This person is saying it how people are saying it, and is not pretending to be something else—he is giving honest views”? That serves to legitimise their point of view.

We have heard about famous journalists who have continued with that kind of behaviour. Politicians here in the United Kingdom and in the US who encourage what I call “othering” quickly become big box office hits, especially if they are able to talk, not just unchallenged but endorsed by journalists, in a way that suggests that all Muslims are rapists, or that immigrants are sucking the NHS dry or are stealing our jobs while living on benefits. Imagine the effect on someone in an economically or socially vulnerable situation who is told on a daily basis that they are in that plight because of these immigrants who have taken everything. It is not surprising that some of those people think that the immigrants are to blame. That is why I talked about the need to eradicate poverty and provide good jobs, decent housing, education, schools and hospitals. That is so important. Can we really be surprised at some of the rhetoric and the things people have been saying when that kind of thing is perpetuated by our media?

The free hand of the print and online media to distort facts and blame entire groups of people for the troubles of our country, with almost no fear of contradiction, plays an important part in the spread of hatred, and is worrying. Certain parts of the media are complicit in the rise of bigotry and the consequent discrimination. Here, I touch on what my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty) referred to. It is not that suddenly one day everyone decided to become abusive. There has been a consistent level of immigrant bashing over a number of years. There was a time in this country when the Irish were bashed. Then it was the Afro-Caribbean community, then the Muslims. Now it seems like everyone is hated. That is very worrying.

This is a great country to live and work in. I am very passionate about my country, which is why I think it is so important that everyone, including all politicians
across the United Kingdom get together and say, as the hon. Member for Strangford (Jim Shannon) did, “Not in our name.” This is not what we are as a country. We are a tolerant and liberal country. I have travelled and worked in other countries, and as far as I am concerned this is the best country to live in the world. When I see this kind of thing happening, it really disheartens me. I know that others feel the same.

Let me give as an example some of the front-page scare stories from the Daily Express, the Daily Mail and The Sun. Recently, a Daily Mail cartoon compared immigrants to vermin and conflated them with gun-wielding terrorists. Who can forget the well-known shock tactic journalist who referred to desperate and scared refugees as “cockroaches”? It is amazing that the newspapers and journalists who make an enormous amount of money from those kinds of things are able to say them again and again and get away with it completely. In fact, the journalists are paid even more by the radio stations, television companies and media to carry on peddling their hate. When did journalists forget that with freedom of speech comes responsibility? Does the Minister agree that it is now more pressing than ever that we proceed with the next stage of the Leveson inquiry, so that the press act responsibly in their treatment of minorities? A free press is great—we want that, and we want the press to cover stories, responsibilities, wrongdoing and investigative journalism, and to tell us what is going on, but some sections of our media seem to have a completely different agenda of their own.

We have a proud tradition of welcoming people from around the world, and our diversity makes us stronger. We are grateful to all those who have chosen and continue to live and work in this nation. Members of the House must pledge to stand together and unite against hatred and intolerance in our communities. We will not, and should not have to tolerate hate crime again.

Colleen Fletcher (Coventry North East) (Lab): My hon. Friend is making important points about the responsibilities of different agencies. The Minister may have heard about the incident in Coventry, where my constituent, the Coventry and Warwickshire radio presenter Trish Adudu, was racially abused in the street last week. Trish said that an individual shouted at her and another Coventry resident, and said vile things, including the N word, which I have never used and cannot bring myself to use even when describing this incident tonight. She was told: “Get out of here. Go back home. Haven’t you heard the result of the vote?” Trish was visibly distressed when she reiterated that on the radio and on TV. Does the Minister agree that there is no place for such sickening and deplorable behaviour? We must work together to put a stop to it, bringing in all those agencies and working cross-party. Robust action must be taken—

Madam Deputy Speaker (Natascha Engel): Order. I have been very generous with the intervention, but that was very long. There is plenty of time and if the hon. Lady wanted to make a speech, she could have done so, but I think that was it.

Yasmin Qureshi: I entirely agree with my hon. Friend. We have processes in place to report hate crime, and swift action can be taken, as was demonstrated by Greater Manchester Police following the incident of hate on a tram towards an American lecturer. Importantly, many who voted to leave the EU did so as a protest vote to voice concerns against the Government and austerity measures, and the vast majority do not endorse any racist rhetoric. Many who voted to leave felt that they were doing the right thing for the economy, and they fell for the lies being peddled as promises, such as £350 million a week for funding the NHS. However, Brexit has legitimised and normalised racism. We must ensure that all incidents are reported and prosecuted, and we must hold the media and leaders—including political leaders—to account when hatred is propagated. We must act against social inequality, and provide and protect jobs, wages, workers’ rights, good schools and hospitals. In essence, social and economic equality often leads people to view the “other” through the prism of dislike, hatred or suspicion. Only together can we work to tackle that problem, and ensure that future generations can hope for a safe future in this country and regard it as their home.

6.39 pm

Keith Vaz (Leicester East) (Lab): It is a pleasure to follow my hon. Friend the Member for Bolton South East (Yasmin Qureshi). She is a passionate advocate on behalf of the downtrodden and all those whose rights need to be exercised in this country. She had a long career outside this House as an international barrister and she has shown a passionate commitment to the cause of justice in this House, serving on the Justice Committee, the Home Affairs Committee and now the Foreign Affairs Committee. She has reminded us all of the huge contribution that has been made by the migrant community to our country.

I have to declare an interest as a first generation migrant. I arrived here from Aden in Yemen at the age of nine. My hon. Friend the Member for Walsall South (Valerie Vaz) is also my sister and we do not normally sit together in this House. We try to sit apart. Some people mistake her for my daughter—nobody thinks I am her father, which is a good thing. We are sitting together in solidarity today, because we think this is a really important issue and my hon. Friend the Member for Bolton South East is right to raise it. We came to this country and we can remember the speech made in 1968 by Enoch Powell, which cast a shadow over a whole generation.

The good thing about this place is that when we have discussed race issues, no matter what happened in the referendum campaign and the words my hon. Friend quoted, there is an all-party consensus about the contribution of the migrant community and the diversity of Britain. As I said to the Prime Minister last week, he has constructed the most diverse Government in the history of the Conservative party, with more women and more ethnic minorities sitting in the Cabinet and the Government. Labour did the same thing when we were in office.

How do we translate the huge achievements of the migrant community and get everyone, including the media, to understand that they are a force for good? It means talking to them, but it also means that when the trays are down we defend them and stand up for them. I was so pleased to hear what the hon. Member for Strangford (Jim Shannon) said. I have been to his constituency and I know his commitment to
different communities. Northern Ireland has different issues, but he has always supported all his constituents equally, as we all do. How do we, as parliamentarians, translate that contribution and get that message across to the public? That is the problem we face.

The problem is very stark. As I said to my hon. Friend the Member for Bolton South East, today I received a letter from the Metropolitan Police Commissioner. The figures in that letter are shocking: an increase from 20 to 60 hate crime incidents every single day. The number of hate crime incidents between the day after the referendum, 24 June, and Tuesday 28 June was 232 in the Metropolitan police area alone. We do not know the figures for the rest of the country. A lot of people do not want to report these crimes: as with any crimes, including crimes against women, people do not want to report them. The figures represent the number of reported incidents only. I would imagine that the number of hate crime incidents is even greater.

Catherine West: Does my right hon. Friend agree that there is a real issue around reporting such crimes, in particular in schools? Young children do not really understand what it means when another child says, “You’ve got to go home now,” and how that can be reported and linked in with police officers within the school context.

Keith Vaz: My hon. Friend is absolutely right and as the former leader of a council she will know the importance of starting at a very young age. That is the impressionable age and that is where we need to begin the dialogue. That is where we need to show these positive images. We all represent constituencies with ethnic minority communities. It is important that that exposure happens at a very early stage.

The referendum polarised opinions. I, of course, voted for remain. I say of course, because under the previous Labour Government I was a Minister for Europe. There were many Ministers for Europe under the Governments of Tony Blair and Gordon Brown. One of my jobs, when I was appointed by Tony Blair, was to go to the eastern European countries and prepare them for enlargement. His first words to me were, “Get closer to them than the French and the Germans.” I did and I travelled a lot: I made 54 visits in two years. I went to eastern Europe, having never visited before, and it was a revelation. We should say in the House how pleased we are with the contribution that eastern European communities have made to our country. People are surprised to hear that the figure is 3 million. I do not think that one can tell, because these are the hardest-working communities, they contribute in each and every constituency, and they make the lives of our citizens better.

I was shocked to hear not just about the incidents recounted by hon. Members or about the crimes committed but about how social attitudes have changed because of the referendum. It has changed not just the political make-up of our country—with so many party leaders resigning within days of the referendum—but attitudes. That is why last Sunday, with my hon. Friend the Member for Ealing Central and Acton (Dr Huq), I went to Ealing Broadway—not Leicester but Ealing Broadway, Ealing being the centre of the Polish community in London—and sat through a Polish mass at the Church of Our Lady Mother of the Church. It was the first Polish mass I had been to since I was Minister for Europe and I went to a mass in Piekarz Słaskie in Poland.

At the end of the mass, I was asked to address the congregation, and I reminded them of the great affection we all felt for the contribution made by the Polish and other communities that have come here as a result of enlargement. When I went outside, an elderly Polish gentleman came up to me and said, “I have to tell you what happened the day after the referendum. I go to an elderly persons’ lunch club. When I went in, I was told by the person who runs it that, because of the referendum vote, I was not allowed to have lunch with the other people.” If I had not heard this myself, I would not have believed it. I represent probably the most multi-racial constituency of anyone sitting here, and I have never heard such a thing from members of the British Asian community. Yet here was I, in the middle of Ealing, hearing this from an elderly Polish gentleman who had lived all his life in this country—Polish migration began at the time of the second world war.

What starts with a social attitude or a speech, whether at school—as mentioned by my hon. Friend the Member for Hornsey and Wood Green (Catherine West)—or among the general migrant community, ends up with a hate crime and violence. That is what we need to guard against.

Amanda Solloway (Derby North) (Con): The right hon. Gentleman mentioned school. I heard a horrific story the other day from a headteacher about two seven-year-old boys who had always been best friends. On the Monday after the referendum, one of them said to the other, whose parents were Polish but who had been born here, “You’re going home. You won’t be in this country any more”. That cannot be right, surely.

Keith Vaz: The hon. Lady is absolutely right. It cannot be right for a seven-year-old to say such things, but it is because of prevailing attitudes either in the local area or, most probably, in the home of that child. That is exactly what my hon. Friend the Member for Bolton South East was saying, and that is why her debate, held so quickly after the referendum, is so important. It is not about whether someone voted to stay in or come out—it is about the settled view and whether some people voted to stay in or come out—whether we are talking about the settled view of the British people that we should come out—but about the attitudes that remain, the speeches made and the quotes she gave. These points have to be regretted.

I am sorry that I missed yesterday’s urgent question from my right hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart). It is really important that the Government settle the issue of whether EU migrants can stay here. It is not an issue for the Conservative party’s leadership campaign—it cannot be talked about in hustings; it has to be told to the House. I believe that the Prime Minister is an honest, honourable, fair and diligent person, and I believe that if he came to that Dispatch Box tomorrow and was asked this question, he would come out with a settled view and tell us that they can stay—that they should not be, as we heard yesterday, bargaining counters. I am sure he would say that we will allow the 1.2 million Britons to stay in the EU and that we will keep the 3 million. Of course, the numbers will not stack up in any case. The need to clarify is what causes people to be concerned, which is why it is important that we clarify these matters as soon as possible.
Stephen Doughty: My right hon. Friend is making some strong points. Before he finishes, I want to agree with his point about Polish people in this country. I have Polish relatives, many of whom live in the constituency of my hon. Friend the Member for Bolton South East (Yasmin Qureshi). I am horrified at some of the abuse that has been directed at the Polish community. Given what I said before about the impact of social media and the internet as a common theme running through everything I have seen in the last few years—whether it be this type of hate crime, hate crime directed at LGBT+ people, extremism, radicalisation for terrorism or the sectarianism we saw in the Scottish referendum that was also played out online—what does my right hon. Friend feel that social media and internet companies need to do?

Keith Vaz: My hon. Friend is absolutely right that the responsibility on social media and internet companies is massive. I cannot understand why companies that make millions of pounds cannot have dedicated teams to take down this hate immediately. Why should it be left for people to block those who write these racist comments? We have to be sitting and looking at our iPhones every single minute of the day to know what people are saying about us. I block a lot of people: I have some friends, but also some enemies on the internet. The fact is that those companies should be doing this, and if they do not do it, Parliament should legislate.

Let me conclude. The Select Committee decided unanimously on Wednesday to have an inquiry into hate crimes and violence. We heard the words of the Minister last week at the Dispatch Box, and I welcome what she said. I also welcome her personal commitment to this issue. I have been in the House for 29 years, and I know the difference between a Minister who comes to the Dispatch Box and just says what is in the brief and a Minister who comes to it but believes passionately that something must be done. The Minister does believe in this issue passionately. She believes in zero tolerance for racism and anti-Semitism; she wants to put in place an action plan to which we can all adhere; she wants to deal with hate crimes and violence. We heard the words of the hon. Member for Bolton South East referred to an incident on a tram in Manchester. However, we have also seen messages of support and friendship on social media. The hon. Member for Bolton South East referred to an incident on a tram in Manchester. I am sure that the whole House will join me in commending
[Karen Bradley]

those we have seen stand up for what is right, upholding the shared values that bring us together as a country.

When we debated this matter last week, the hon. Member for Belfast East (Gavin Robinson) asked us to ensure that the hate crime action plan did not include the words “tolerate” and “tolerance”, and he was right to do so. We cannot “tolerate” incidents such as these, because they are not acceptable. We cannot say, “You received 40 messages of hate on Twitter today, so if you receive 50 tomorrow that is worse, but if you receive only 30, that is OK.” We cannot tolerate any such crimes. We must make it clear that they will not be tolerated, that they need to be reported, and that the police must take them seriously.

The hon. Member for Cardiff South and Penarth (Stephen Doughty) made a couple of interventions about social media and online messages, and I agree with much of what he said. What is illegal offline is illegal online. We have seen some prosecutions for online hatred, but there is no doubt that more needs to be done. We have been talking to social media companies, and I am pleased to say that the European Commission and IT companies recently announced a code of conduct on illegal online hate speech. We must now work with those companies to ensure that hateful content online is removed and perpetrators are brought to justice, but we must also recognise the scale of the challenge. Facebook receives 4 billion posts a day—4 billion pieces of content are uploaded on to it each day, globally. The task is therefore very difficult. More responsibility must be taken by the social media companies, and I am pressing them on exactly that matter. However, we must also recognise that this is something that we must change in society as a whole.

The hon. Member for Bolton South East talked about hate speech in the media, and again there is no place for hate speech anywhere in society. Freedom of speech is a vital cornerstone of our society, but everybody must remember they have responsibilities not to spread hatred or fear. Anyone using freedom of speech as an excuse to break the law should face the full force of the law.

7 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—(Charlie Elphicke.)

Karen Bradley: The hon. Lady asked about Leveson, too, and I note all the points she makes. The press have responsibilities, but she will know there are still some outstanding cases, and we do need to complete them before we can move on.

The hon. Member for Cardiff South and Penarth talked about how this is not a new kind of incident, and probably all of us experienced this through the general election campaign. Some of my posters were defaced and I received the most vile abuse. I have young children. This is why I am not on Twitter any more—because, frankly, they do not need to have that coming into our kitchen on a Sunday morning over breakfast; it is just not necessary.

The point is that this is not new. I went to the launch of the latest Tell MAMA report last week. It shows a 326% increase in 2015—compared with 2014—in street-based anti-Muslim incidents reported directly to Tell MAMA, including verbal abuse in the street and women’s veils being pulled away, with 437 incidents reported to Tell MAMA. The report also finds that 45% of online hate crime perpetrators are supportive of the far right.

This brings me to the work we are doing on our counter-extremism strategy. There has been some confusion about its aims. It is important to set this in context. Extremism is the public supporting and promotion of ideology that can lead to crimes. Those crimes might be terrorist activity or violence against women and girls. The public promotion of FGM, while not in itself a crime, might lead to somebody carrying out FGM, a violent crime against women and girls that we simply do not tolerate. It can lead to division in society and hate crime. That is why the Government are working on that strategy with communities and others. We need to make sure as a society that we are clear about how we tackle those ideologies, be they far right, Islamist or promoting violence against women and girls. Those are the kinds of ideologies we cannot tolerate in this society and that is what we are working on in our counter-extremism strategy.

I want to reassure the House that there is currently no police intelligence to suggest any significant public order risks following the referendum result. There has been a variety of spontaneous demonstrations both in support of and against the referendum result. To date, those have caused only minor disruption and have remained largely peaceful. Police forces are remaining vigilant around any tensions and potential for disorder, and will plan accordingly.

The right hon. Member for Leicester East, Chair of the Home Affairs Committee, referred to the hate crime action plan. This is a follow-up to the hate crime action plan we had in the last Parliament, and we are making progress: we are seeing more reporting and investigating and prosecuting of hate crime, but there is still a lot more to do. That is why we will publish a new hate crime action plan, which will cover all forms of hate crime, including xenophobic attacks. It is a plan we developed across Government and with communities and society, including schools, to make sure that point is included and encouraged in schools from a very early age, so that it is clear that such behaviour is not acceptable.

The hon. Member for Bolton South East talked about working across Government. I am looking at the best way for us to come together to make this point. I look forward to working with her, the Select Committee and others to show a united front in this House and in the leadership of this House on this issue.

Citizens of other EU countries no doubt have concerns, but I reiterate the point that the Prime Minister made last week: we are a full member of the European Union today and we will continue to be a full member until two years after article 50 is invoked. During that period, there will be absolutely no change to the status of EU nationals.

Keith Vaz: The Minister has faithfully reported what the Prime Minister said, but three senior members of the Government who are contestants for the leadership of this country have decided to say that EU citizens can
stay. Why does the Home Secretary not agree with them? This issue is not about the Conservative party leadership; it is about the rights of citizens in this country.

Karen Bradley: I understand the point the right hon. Gentleman makes, but he will be aware that the Home Secretary is the Home Secretary, whether she is a leadership contender or not.

The reality is that we have to get into a negotiation and to understand what the position is. We are all entering uncharted territory. This is the first time that any country has voted to leave the European Union. It is the first time that any country has been in this situation. We have to be clear about what the future looks like, and that involves grown-up negotiations not just for those EU nationals who are in this country, but for UK nationals who are overseas. I want to ensure that we get the very best deal for Britain, and that includes the EU nationals who are here and the UK nationals who are living in the European Union.

Keith Vaz: The point that my hon. Friend the Member for Bolton South East (Yasmin Qureshi), I and others are making is that it is this uncertainty that leads to prejudice: it is this uncertainty that leads to one seven-year-old boy saying to another, “You’ve got to leave.” That is why we need to be certain.

Karen Bradley: I disagree with the right hon. Gentleman. I do not think that is what leads to it. It is about a lack of understanding and we need to work very carefully to make it clear that such comments are not acceptable from a seven-year-old boy or anybody else.

We are in uncharted territory. We need to go into the negotiation clear-headed about how we will get the best deal for Britain. To suggest that that is using people as bargaining chips is irresponsible, because everything that we negotiate in the deal will have an impact on people—on people living in this country and on people living overseas. We need to get the very best deal for this country. We need to ensure that it is the best deal for trade and for our citizens, including EU citizens who are living in this country. I want to be clear that it will be a priority to get that status cleared up as soon as possible, so that we can all learn how to live in the new world of the United Kingdom being outside the European Union as soon as possible.

The Government are clear that hate crime of any kind must be taken very seriously indeed. Our country is thriving, liberal and modern precisely because of the rich co-existence of people of different backgrounds, faiths and ethnicities. That rich co-existence is something we must treasure and strive to protect. We must work together to protect that diversity, defeat hate crime and uphold the values that underpin the British way of life. We must ensure that all those who seek to spread hatred and division in our communities are dealt with robustly by the police and the courts.

Question put and agreed to.

7.9 pm

House adjourned.
Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

EU Referendum

1. Nic Dakin (Scunthorpe) (Lab): What assessment he has made of the potential effect on the economy in Scotland over the next five years of the outcome of the EU referendum.

2. Ian Murray (Edinburgh South) (Lab): What assessment he has made of the effect on the economy in Scotland of the outcome of the EU referendum.

The Secretary of State for Scotland (David Mundell): The Scottish economy faces a number of challenges as a result of the vote to leave the EU. Yesterday I began a process of direct engagement with Scottish business leaders to ensure that their voice is heard in the forthcoming negotiations.

Nic Dakin: I thank the Secretary of State for that answer. Now that the Brexit decision has been made, does he think that it will be easier for the Scottish and UK Governments to support the Scottish steel industry in tackling things like energy costs, procurement and business rates?

David Mundell: Regardless of the vote, the two Governments must continue to work together to support the industry. The Scottish Government have taken steps in relation to the two plants in Scotland, very much supported by me and the Scotland Office and the UK Government. We will continue that support, and the Scottish Government will play a part in the steel council that has been established.

Ian Murray: Standard Life, one of the largest private employers in Scotland, ceased trading in its UK property fund this week, and the Governor of the Bank of England has said that the consequences of Brexit are beginning to crystallise. Given that financial services are 7% of Scotland’s GDP and employ tens of thousands of my constituents, what reassurances was the Secretary of State able to give businesses yesterday that not one job will be lost because of the Conservative gamble with this country?

David Mundell: May I begin by commending the hon. Gentleman for his service as shadow Scottish Secretary? No one knows better than me how difficult it is to be your party’s sole representative from Scotland in this House and be shadow Scottish Secretary. He performed the role with great distinction, and I am particularly grateful for his work to ensure the passage of the Scotland Act 2016 in this place. He will be pleased to know that when I met business leaders yesterday Standard Life was represented. One point that its representatives made, which is important for discussions on the future of the Scottish economy, is how important the market outwith Europe is, as well as the market within Europe. Standard Life did not wish us to lose focus on the many business opportunities it pursues, in north America in particular.

Bob Blackman (Harrow East) (Con): When will my right hon. Friend lay out the exciting opportunities there are for Scotland as a result of leaving the European Union for the wider world?

David Mundell: Obviously when I met Scottish businesses I wanted them to address the opportunities for business. I have just referred to a leading Scottish company with significant interests outwith the EU, but businesses in Scotland are naturally concerned to understand the arrangements that will be put in place for our future relationship with the EU.

Angus Robertson (Moray) (SNP): In Scotland more than 62% of voters voted to remain in the European Union. Since then the Scottish Parliament has voted overwhelmingly to support First Minister Nicola Sturgeon in her efforts to protect Scotland’s place in Europe. That was voted for by the Scottish National party, the Labour party, the Liberal Democrats and the Scottish Green party. The Tories abstained. Will the Secretary of State finally join the cross-party consensus to protect our economy and our place in Europe, or will he abstain like his colleagues?

David Mundell: The right hon. Gentleman omits one fact. My colleagues were unable to support his party’s motion because the SNP would not take the toxic and divisive issue of a second independence referendum off the table. Anyone who wants to unify opinion in Scotland does not start talking about a second Scottish independence referendum. I hope the First Minister was listening yesterday to Scottish businesses when they said decisively in relation to discussions about the EU that they did not want to hear about Scottish independence.

Angus Robertson: Tens of thousands of European Union citizens play a massive role in our economy and society in Scotland. The Scottish National party wants...
to do more than just pay tribute to them; we want them to have guarantees that they can stay in Scotland. Will the Secretary of State act in the Scottish and European interest, and guarantee the rights of fellow European citizens to remain in Scotland, and end the intolerable worry and concern with which they are being confronted?

David Mundell: I share the right hon. Gentleman’s view of the important role that EU citizens play in Scotland, and we want them to stay in Scotland and have their position guaranteed. We also want British citizens in the rest of Europe to have their right to stay there guaranteed, and I hope that it will be possible to issue both guarantees.

Mr David Anderson (Blaydon) (Lab): May I start by echoing the compliments paid to my predecessor, my hon. Friend the Member for Edinburgh South (Ian Murray)? He will be a hard act to follow.

Sitting opposite the Secretary of State reminds me of the many good times that I have spent in his constituency in the great town of Moffat. Friends of mine from Moffat, John and Heather, live on the Old Carlisle Road, where they have a small family farm and a business. They want to know what guarantees have been given about the future of payments that they receive as part of the common agricultural policy, and what benefit they can expect from the £350 million a week that senior members of the Government promised we would get back from the European Union to fund the NHS. How much of that can we expect to go to Scotland and, crucially, when can we expect to see it?

David Mundell: I welcome the hon. Gentleman to his position, and he is welcome in Moffat any time he wants. I have performed his role in the past, but when I did so there were 41 Scottish MPs opposite me, and 15 months later it has come to this. CAP payments will be subject to negotiations, and as someone who argued for a remain vote, I made it clear to farmers in Scotland that there would be a degree of uncertainty if there was a vote to leave. As a result of our withdrawal from the EU, responsibility for agriculture will now rest directly with the Scotland Parliament.

Mr Anderson: I do not think that John and Heather will be reassured by the Secretary of State’s response, and I note that he did not answer my question on the NHS.

The Chair of the Foreign Affairs Committee was right yesterday to accuse our hapless Prime Minister of being guilty of a dereliction of duty for failing to set up withdrawal planning units until after the referendum. Will someone please tell the Prime Minister that the words to the song are not: “When the going gets tough, the tough do a runner”? With that in mind, does the Secretary of State believe that the Prime Minister’s policy of placating fruitcakes and loonies has been a price worth paying for the economic crisis that is now upon us, and the risk of the break-up of the United Kingdom?

David Mundell: I am a democrat. I respect the democratic decision of the people of the United Kingdom, and that decision will be implemented.

2. Andrew Stephenson (Pendle) (Con): What discussions he has had with the Scottish Government on the outcome of the EU referendum.

3. Martyn Day (Linlithgow and East Falkirk) (SNP): What discussions he has had with the Scottish Government on the effect of the outcome of the EU referendum on Scotland.

4. Ian Blackford (Ross, Skye and Lochaber) (SNP): What discussions he has had with the Scottish Government on the effect of the outcome of the EU referendum on Scotland.

5. Chris Green (Bolton West) (Con): What discussions he has had with the Scottish Government on the outcome of the EU referendum.

9. Alan Brown (Kilmarnock and Loudoun) (SNP): What discussions he has had with the Scottish Government on the effect of the outcome of the EU referendum on Scotland.

The Secretary of State for Scotland (David Mundell): Since the outcome of the EU referendum, both the Prime Minister and I have had discussions with Scottish Government Ministers, and we will continue to do so over the coming weeks and months. As the Prime Minister has made clear, we will fully involve the Scottish Government and other devolved Administrations as we prepare for negotiations with the European Union.

Andrew Stephenson: Does my right hon. Friend agree that we should respect the outcome of the democratic process, even if some do not agree with the result?

David Mundell: I am clear that the majority of people across the United Kingdom voted for the UK to leave the European Union, and that decision must be implemented. In doing so, we must secure the best possible deal for Scotland and the rest of the United Kingdom.

Martyn Day: Will the Secretary of State confirm that it is the UK Government’s intention to invite the Scottish Government to participate directly in the EU negotiations?

David Mundell: I confirm that the Scottish Government will be at the heart of the negotiation process. I can also confirm today that I and my Cabinet colleague, my right hon. Friend the Member for West Dorset (Mr Letwin), who is responsible for the European unit within the Government, will meet the First Minister next week to discuss how that might be achieved.

Ian Blackford: The Secretary of State says he is a democrat. Will he support the long-established position in Scotland that sovereignty rests with the people? Now that the Parliament has said that we wish to negotiate Scotland’s remaining in the single market, will he stand up for those rights? Is he Scotland’s man in the Cabinet, or is he, as we suspect, the Cabinet’s man in Scotland?

David Mundell: I expect slightly more original lines from the hon. Gentleman. My position is clear: I very much welcome any initiative pursued by the First Minister.
or by the Scottish Government that can be to the benefit of Scotland without being to the detriment of the rest of the United Kingdom. I look forward to hearing from the First Minister when I meet her next week how the various initiatives she is pursuing are going. We want to work together. Businesses in Scotland yesterday made it very clear that they want a Team UK approach: the Scottish Government and the UK Government working in tandem in the best interests of Scotland.

**Chris Green:** Does my right hon. Friend agree that, just as the Scottish referendum was binding for a generation, so too is the United Kingdom’s decision on the European Union? Is it not incumbent on all politicians, including those in the devolved Administrations, now to come together to make this work?

**David Mundell:** I very much hope that that will be the case. I met Fiona Hyslop, the Minister responsible in the Scottish Government, within hours of the EU declaration being made. My right hon. Friend the Minister for Europe is in Scotland today. I am meeting Fiona Hyslop tomorrow, and, as I have already said, I am meeting the First Minister next week. We want to work as closely as we can with the devolved Administrations to get the best outcome for Scotland.

**Alan Brown:** On the previous question, I would point out that Scotland voted by a large majority to remain in the EU. As a self-confessed democrat, will the Secretary of State therefore confirm that he will support the Scottish Government’s efforts to find a mechanism to keep Scotland in the European Union?

**David Mundell:** The hon. Gentleman may not have read the ballot paper, but the question was not about Scottish independence. It was about whether voters in Scotland wanted the United Kingdom to remain in the EU. I was a part of the 1.6 million people in Scotland who voted to remain in the EU, but I did not do so on the basis that Scotland would then be dragged out of the United Kingdom if I did not get the decision I wanted.

11. [905603] **Henry Smith** (Crawley) (Con): With over 1 million people in Scotland voting to leave the European Union last month, what is my right hon. Friend’s assessment of the rush for a second independence referendum on the Union?

**David Mundell:** It is important that we respect the views of people we do not agree with. It has become evident that the Scottish National party cannot respect the views of the 2 million people who voted to remain in the United Kingdom in the 2014 referendum and it does not respect the people who voted to leave the EU. I do not agree with the people who voted to leave, but their views need to be respected.

**Ms Tasmina Ahmed-Sheikh** (Ochil and South Perthshire) (SNP): In the light of statements made by the Secretary of State for Justice and the new shadow Secretary of State for Scotland over the weekend, will the Secretary of State for Scotland give us an unequivocal confirmation that the Barnett formula will not be changed or affected as a result of the EU referendum and that Scotland’s budget will be protected?

**David Mundell:** The Government were elected on a manifesto that made it clear there would be no changes to the Barnett formula. The hon. Lady has been in several political parties over her political career. Perhaps she noticed earlier this week that there is a vacancy at the head of the UK Independence party; that might be her next destination.

12. [905604] **Mrs Sheryl Murray** (South East Cornwall) (Con): Will my right hon. Friend tell us what discussions he has had on the possibility of Scotland having to accept joining the euro if, as it claims, it wants to stay in the European Union?

**David Mundell:** Clearly the parameters have changed, and if any proposition were put forward for any prospective further independence referendum, it would be carried out on an entirely different basis from what we had with the 2014 proposition, and membership of the euro might well be part of that.

**Wayne David** (Caerphilly) (Lab): A close relationship between Scotland and the European Union is obviously in the best interests of Scotland. Has the Secretary of State any specific suggestions about how that relationship might be made real in the future?

**David Mundell:** I think I have set out clearly how I see the way forward on these matters, and it lies with the Scottish Government and the UK Government working as closely as they possibly can together. That is the way we will get the best possible arrangements for Scotland. The message from business leaders I met yesterday was that we need a Team UK approach to get that deal for Scotland.

7. **Helen Hayes** (Dulwich and West Norwood) (Lab): What discussions has he had with the Secretary of State for Work and Pensions and Ministers of the Scottish Government on the devolution and implementation of social security powers. [905599]

**The Secretary of State for Scotland** (David Mundell): I am committed to working with the Scottish Government to ensure a safe and secure transfer of welfare powers. I met Scottish Ministers in the joint ministerial working group on welfare on 16 June. We had a constructive meeting and issued a joint communiqué about our discussions.

**Helen Hayes:** What assurances can the Secretary of State give that Scotland will be no worse off with the devolution of new social security powers?

**David Mundell:** I certainly hope that individuals in Scotland will be no worse off. Inevitably, the devolution of these powers means that specific decisions about their use will be made by the Scottish Parliament and Scottish Government. The amount of certain payments and their shape and nature will be matters for them.
14. [905606] Mrs Emma Lewell-Buck (South Shields) (Lab): Will the Secretary of State update us on discussions on the devolution of the social fund funeral payments?

David Mundell: I am hoping to move forward with a commencement order for those powers before this Parliament goes into recess. That effectively means the transfer of the arrangements to the Scottish Government.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): I have asked the Scottish Secretary twice via written questions when he last visited a food bank. The answer has been the same on both occasions—he has not visited a food bank in his capacity as Secretary of State for Scotland. Will he therefore today agree to visit a food bank with me in my constituency so that he can see at first hand the devastating effect of Tory sanctions and welfare policies?

David Mundell: The hon. Lady is very well aware that I have visited a food bank and understand the issues that surround them.

Mr David Anderson (Blaydon) (Lab): The agreement between the United Kingdom Government and the Scottish Government set out exactly how the new Scottish welfare budget will be agreed. Will the Secretary of State explain what would happen in the event of the UK Government abolishing a specific benefit that has been devolved to Scotland? In that circumstance, will the Scottish Government retain the budget or will they lose it?

David Mundell: The financial arrangements for the transfer of powers were dealt with in the fiscal framework, and that circumstance was contemplated in it. There are two sets of benefits that are subject to transfer: one is a set of benefits for which the Scottish Government will have full responsibility and can therefore shape and make a new benefit or change benefits; and the other set involves powers to top-up existing UK benefits. Clearly, if an existing UK benefit did not exist, the power to top it up would not exist either, but the power to create an equivalent might well do.

Womenomics Report

8. Mr Alistair Carmichael (Orkney and Shetland) (LD): What progress the Government are making on implementing the recommendations of the Womenomics report on the role and contribution of women in the Scottish economy, published in March 2015; and if he will make a statement.

Mr Carmichael: As we tackle the economic challenges that face Scotland as a result of Brexit, removing barriers to the full economic contribution of women to Scotland’s economy becomes more important than ever. Professor Sawers’s report offers the Government a road map. Will the Minister ensure that someone in the Scotland Office blows the dust off it, and implements some of the very good, solid recommendations that it contains?

Anna Soubry: As I have said, the report is very good, and it is critical for everyone to work together. The Scottish Parliament now has more devolved powers specifically to address the problems of gender equality, which, of course, includes any disadvantage for women.

Steel Industry

10. Tom Pursglove (Corby) (Con): What assessment he has made of the future prospects for the steel industry in Scotland.

The Minister for Small Business, Industry and Enterprise (Anna Soubry): I was delighted to be present at the Dalzell plant in April for the handover of that plant and Clydebridge from Tata to the Liberty Group. I think that if we continue the excellent process of working together, the prospects for the steel industry in Scotland must be good, and I am going to be positive about its future.

Tom Pursglove: I thank the Minister for that encouraging answer. What discussions is she having with the First Minister and with other Departments to ensure that the Scottish steel industry receives all the help and support that it needs?

Anna Soubry: We work together hand in glove, which I think is very important. It is also important to note that the Steel Council, which the Government established, contains a number of representatives of both the Scottish and the Welsh Governments. Together, we can ensure that throughout the United Kingdom we have a strong and sustainable steel industry.

Mr Peter Bone (Wellingborough) (Con): Brexit will be helpful to the British steel industry, including the steel industry in Scotland. It was a good day when we came out. Will the Minister welcome it?

Anna Soubry: What I will say is this: I think that we must all work together now, however we voted and whatever our views, to ensure that we do the very best for our country. We should be under no illusions about the fact that we face some very big challenges and some very difficult months and years, not just days. What is important now is coming together and putting the past behind us.

Public Procurement: Small Businesses

13. Sir Henry Bellingham (North West Norfolk) (Con): What plans he has to work with the Scottish Government on ensuring that more public procurement is directed towards small businesses; and if he will make a statement.

The Minister for Small Business, Industry and Enterprise (Anna Soubry): I thank the right hon. Gentleman for commissioning the Sawers report. The Government have published their response, and, following the elections in May, a ministerial group is being put together from all the Administrations in the United Kingdom—it will include my hon. Friend the Under-Secretary of State for Women and Equalities and Family Justice—so that we can begin to make progress. Meanwhile, the gender pay gap is diminishing to an all-time record low.
The Minister for Small Business, Industry and Enterprise (Anna Soubry): Procurement has been an important part of the Government’s work. We are determined to deliver our target of central Departments spending 33% of their budgets with small and medium-sized enterprises by 2020. The last set of results showed that we were increasing the proportion to 27.1%.

Sir Henry Bellingham: Does the Minister agree that rather than setting specific percentage targets for small business procurement, the Scottish Government should follow best practices in counties such as Norfolk, and also work in close co-operation with the United Kingdom Government?

Anna Soubry: The short answer—I know you enjoy those, Mr Speaker—is an emphatic yes.

North Sea Gas and Oil Industry

15. Mr Alan Mak (Havant) (Con): What steps the Government are taking to support the North sea oil and gas industry. [905607]

The Minister for Small Business, Industry and Enterprise (Anna Soubry): In the 2015 Budget, the Government introduced a £1.3 billion package of tax measures to help our oil and gas industry. Today I am launching the inter-ministerial group’s oil and gas workforce plan, which sets out how we can retain talent in this sector and opportunities for workers in other sectors.

Mr Mak: The North sea oil and gas industry supports a range of supply chain partners, including businesses on the south coast. Will the Minister continue to support those businesses as they diversify by exporting their expertise?

Anna Soubry: Yes, because we fully understand the difficulties in the oil and gas sector at the moment. That is why we have launched this plan. By working together we can improve the lot, but these are difficult times for the oil and gas sector.

Mr Speaker: I am extremely grateful to the hon. Member for Havant (Mr Mak), who posed the question succinctly but comprehensively, and to the Minister for succinctly but comprehensively answering it, so that it is now time for Prime Minister’s questions.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [905679] Chloe Smith (Norwich North) (Con): If he will list his official engagements for Wednesday 6 July.

The Prime Minister (Mr David Cameron): I know the whole House will want to join me in wishing Wales luck ahead of the Euro 2016 semi-final this evening. They have played superbly and we wish them all the best.

This morning I had meetings with ministerial colleagues and others, and in addition to my duties in this House I shall have further such meetings later today.

Chloe Smith: I am a Conservative because I believe it is not where you are coming from, it is where you are going that counts. Does my right hon. Friend agree that the opportunity to succeed no matter what your background is what we want for Britain?

The Prime Minister: I absolutely agree with my hon. Friend. Making sure that all our citizens have life chances to make the most of their talents should be the driving mission for the rest of this Parliament. Yesterday at Cabinet we were discussing the importance of boosting the National Citizen Service, which will play a key role in giving young people the confidence and life skills to make the most of the talents that they undoubtedly have.

Jeremy Corbyn (Islington North) (Lab): I think today it would be appropriate if we paused for a moment to think of those people who lost their lives in the bombings in Baghdad and Medina in recent days—the people who have suffered and their families at the end of Ramadan; it must be a terrible experience for them, and I think we should send our sympathies and solidarity to them.

I join the Prime Minister in wishing Wales well, and I will be cheering for Wales along with everybody else. It is quiet, isn’t it. [Interruption.] Ah, there is life after all.

Thirty years ago the Shirebrook colliery employed thousands of workers in skilled, well-paid unionised jobs digging coal. Today thousands of people work on the same site, the vast majority on zero-hours contracts, with no union recognition, where the minimum wage is not even paid. Does Shirebrook not sum up “Agency Britain”?

The Prime Minister: First, let me join the Leader of the Opposition in giving our sympathies and condolences to all those who have been the victims of these appalling terrorist attacks, as he says, in Baghdad and Medina, and also in Istanbul.

On the issue of what has happened in our coalfield communities in order to secure new jobs and new investment, we have made sure that there is not only a minimum wage, but now a national living wage. The Leader of the Opposition talks about one colliery. I very recently visited the site of the Grimethorpe colliery; there is now one business there—ASOS. I think—employing almost 5,000 people. We are never going to succeed as a country if we try to hold on to the jobs of industries that have become uncompetitive; we have got to invest in the industries of the future, and that is what this Government are doing.

Jeremy Corbyn: The problem is that if someone is on a zero-hours contract, the minimum wage does not add up to a living weekly wage; the Prime Minister must understand that. May I take him north-east of Shirebrook to the Lindsey oil refinery? In 2009, hundreds of oil workers there walked out on strike because agency workers from Italy and Portugal were brought in on lower wages to do the same job. Today thousands of people work on the same site, the vast majority on zero-hours contracts, with no union recognition, where the minimum wage is not even paid. Does Shirebrook not sum up “Agency Britain”?

The Prime Minister: I absolutely agree with my hon. Friend. Making sure that all our citizens have life chances to make the most of their talents should be the driving mission for the rest of this Parliament. Yesterday at Cabinet we were discussing the importance of boosting the National Citizen Service, which will play a key role in giving young people the confidence and life skills to make the most of the talents that they undoubtedly have.
The Prime Minister: We have intervened with the national living wage. We have intervened with more fines against companies which do not pay the minimum wage. We have intervened, and for the first time—this is something Labour never did—we are naming and shaming the companies involved. Those interventions help and can make a difference, but the real intervention that we need is an economy that is growing and encouraging investment, because we want the industries of the future. That is what can be seen in our country and that is why record numbers are in work—2.5 million more people have a job since I became Prime Minister—and why the British economy has been one of the strongest in the G7.

Jeremy Corbyn: This Government promised that they would rebalance our economy. They promised a northern powerhouse, yet half of 1% of infrastructure investment is going to the north-east and London is getting 44 times more than that. Is it not time to have a real rebalancing of our economy and to invest in the areas that are losing out so badly?

The Prime Minister: The right hon. Gentleman is talking down the performance of parts of our economy that are doing well. The fastest growing part of our economy has been the north-west, not the south-east. Exports are growing faster in the north-east, not in London. There is a huge amount of work to do to make sure that we heal that north-south divide, and for the first time we have a Government with a proper strategy of investing in the infrastructure and the training and the skills that will make a difference. For years, regional policy was about just trying to distribute a few Government jobs outside London. We now have a strategy that is about skills, training and growth, and it is delivering.

Jeremy Corbyn: The idea of redistribution is interesting, because investment in London is more than the total of every other English region combined. Does the Prime Minister not think that such issues should be addressed? In March, Government investment was cut in order to meet their fiscal rule. How can the economy be rebalanced when investment is cut and when what little investment remains reinforces the regional imbalances in this country?

The Prime Minister: Again, I think the right hon. Gentleman is talking down the north in the questions that he asks. The unemployment rate in the north-west is lower than the rate in London, so I think his figures are wrong.

As for investment, we of course need to have Government investment, and we have that in HS2 and the railways. We have the biggest investment programme since Victorian times and the biggest investment in our roads since the 1970s, but we can invest only if we have a strong, growing economy. We know what Labour’s recipe is: more borrowing, more spending, more debt, and trashing the economy, which is what they did in office. That is when investment collapses.

Jeremy Corbyn: The Chancellor finally did this week what the shadow Chancellor asked him to do in the autumn statement and what I asked the Prime Minister to do last week—he abandoned a key part of the fiscal rule. The deficit was supposed to vanish by 2015, but we now know it will not even be gone by 2020. Is it not time to admit that austerity is a failure and that the way forward is to invest in infrastructure, in growth and in jobs?

The Prime Minister: What the right hon. Gentleman says is simply not the case. The rules that we set out always had flexibilities in case growth did not turn out the way it did. I would take his advice more seriously if I could think of a single spending reduction that he supported at any time in the past six years. The fact is that this Government and the previous one—the coalition Government—had to take difficult decisions to get our deficit under control. It has gone from the 11% of GDP that we inherited—almost the biggest in the world—to under 3% this year and that is because of difficult decisions. If he can stand up and tell me about one of those decisions that he has supported, I would be interested to hear it.

Jeremy Corbyn: Concerns about the fiscal rule and investment are obviously spreading on the Prime Minister’s own Benches. The Secretary of State for Work and Pensions and the Secretary of State for Business, Innovation and Skills have seen the light and now agree with the shadow Chancellor about backing the massive investment programme that we have been advocating. Is it not time that the Prime Minister thanked my hon. Friend the Member for Hayes and Harlington (John McDonnell) for the education work that he has been doing in this House? Will the Prime Minister confirm that the Chancellor’s fiscal rule is dead and that he will invest in the north-east, in Lincolnshire, and in Derbyshire? They are all places that feel, with good reason, that they have been left behind and that investment is going to the wrong places. They are ending up with few jobs on low wages and insecure employment to boot.

The Prime Minister: If the investment was going to the wrong places, we would not see 2.5 million more people in work and we would not see a fall in unemployment and a rise in employment in every single region in our country.

The only area where I think the right hon. Gentleman has made a massive contribution is in recent weeks coming up with the biggest job-creation scheme that I have ever seen in my life. Almost everyone on the Benches behind him has had an opportunity to serve on the Opposition Front Bench. Rather like those old job-creation schemes, however, it has been a bit of a revolving door. They get a job—sometimes for only a few hours—and then they go back to the Back Benches, but it is a job-creation scheme none the less and we should thank him for that.

Q3. [905681] John Glen (Salisbury) (Con): On a day when significant questions have been levelled at the collective decision making of politicians, military leaders and intelligence services, many of our constituents will be seeking reassurance that the lives of their loved ones were not given in vain, and that the mistakes that were made will never happen again. Will the Prime Minister ensure that the lessons learned will be fully examined and acted upon so that the tragic mistakes made over a decade ago can never be repeated?

The Prime Minister: I am grateful to my hon. Friend for his question. I can certainly give that assurance. I am sure that we will have plenty of time this afternoon to discuss the Chilcot report. Sir John Chilcot is on his
feet at the moment explaining what he has found. I think that the most important thing we can do is really learn the lessons for the future, and he has laid out the lessons quite clearly. We will obviously want to spend a lot of time talking about the decision to go to war and all the rest of it, but I think that the most important thing for all of us is to think, “How do we make sure that Government work better, that decisions are arrived at better, and that legal advice is considered better?” I think that all those things are perhaps the best legacy we can seek from this whole thing.

Angus Robertson (Moray) (SNP): Today is hugely important for Muslims, both at home and abroad, as it is the end of Ramadan, and I am sure we wish them all Eid Mubarak. Today is also a day when our thoughts are with all those who lost loved ones in Iraq and all those hundreds of thousands of Iraqis feel that they were deceived about the reasons for going to war in Iraq?

The Prime Minister: First, I join the right hon. Gentleman in wishing Muslims in this country and around the world Eid Mubarak at the end of Ramadan. We will discuss the report in detail later and I do not want to pre-empt all the things I am going to say in my statement, but clearly we need to learn the lessons of the report, so we should study it very carefully—it is millions of words and thousands of pages. I think that we should save our remarks for when we debate it in the House following the statement.

Angus Robertson: The Chilcot report catalogues the failures in planning for post-conflict Iraq and then concludes that:

“The UK did not achieve its objectives”.

That lack of planning has also been evident in relation to Afghanistan, Libya, Syria and, most recently, with no plan whatsoever, to Brexit. When will the UK Government actually start learning from the mistakes of the past so that we are not condemned to repeating them in future?

The Prime Minister: The right hon. Gentleman is absolutely right that what Sir John Chilcot says about the failure to plan is very clear. In the statement that he has given, he says:

“When the invasion began, UK policy rested on an assumption that there would be a well-executed US-led and UN-authorised operation in a relatively benign security environment.”

Mr Blair told the Inquiry that the difficulties encountered in Iraq after the invasion could not have been known in advance.”

He then says:

“We do not agree that hindsight is required.”

Sir John Chilcot is very clear on that point.

What I will say to the right hon. Gentleman about planning is that the things I put in place as Prime Minister following what happened in Iraq—a National Security Council, proper legal advice, properly constituted meetings and a properly staffed National Security Secretariat, including proper listening to expert advice in the National Security Council—were all designed to avoid the problems that the Government had had in the case of Iraq. The only other point I will make is that there is no set of arrangements or plans that can provide perfection in any of these cases. We can argue whether military intervention is ever justified; I believe that it is. Military intervention is always difficult, as is planning for the aftermath. I do not think that we in this House should be naive in any way about there being a perfect set of plans or arrangements that could solve these problems in perpetuity, because there is not.

Q4. [905682] Sir David Amess (Southend West) (Con): Will my right hon. Friend join me in congratulating Southend Council, which is once again under the control of the Conservative party, on swiftly acting to sort out the mess left by the previous, hopeless administration? Does he agree that Southend-on-Sea being the alternative city of culture next year will produce a considerable boost to the local economy?

The Prime Minister: Let me pay tribute to my hon. Friend for his long-standing efforts to promote Southend and all it has to offer. Although Hull is the official city of culture next year, I am sure that Southend will benefit from the tireless campaign that he has run. I certainly join him in encouraging people to go and see this excellent seaside town for themselves.

Q2. [905680] Mr Dennis Skinner (Bolsover) (Lab): Is the Prime Minister aware that, two miles north of Shirebrook, which has already been mentioned, is a town called Bolsover and that, at the same time as local people were seeing notices on the bus saying, “£350 million for the NHS”, the Government decided, with the help of the local people, to close the hospital at Bolsover? We need the beds—I am sure that he understands that. When the hospital is closed, it is gone forever. I want him today to use a little bit of that money—not very much—to save the Bolsover hospital, save the beds and save the jobs. The press might have a headline saying, “The Prime Minister—Dodgy Dave—assists the Beast to save the Bolsover hospital.” What a temptation! Save it!

The Prime Minister: I do not have the information about the exact situation at the Bolsover hospital; I will look at it very carefully and write to the hon. Gentleman. What I will say is that we are putting £19 billion extra into the NHS in this Parliament. As for what was on the side of buses and all the rest of it, my argument has always been, and will always be, that it is a strong economy that we require to fund the NHS.

Q6. [905684] Seema Kennedy (South Ribble) (Con): Last week, I held my first apprenticeships fair in my constituency. Does my right hon. Friend agree that apprenticeships are an absolutely vital part of economic development in our proud northern towns and cities?

The Prime Minister: My hon. Friend is absolutely right, and that is why we have set the target of 3 million apprentices during this Parliament. I think that is achievable, just as we achieved the 2 million apprentices trained
during the last Parliament. I wish her well with what I hope is the first of many apprenticeship fairs in her constituency.

Q5. [905683] Yasmin Qureshi (Bolton South East) (Lab): Before I ask my question, may I thank the Prime Minister for the support he gave my campaign to get an inquiry into a drug called Primodos, which was given to pregnant women in the 1960s and ’70s and resulted in thousands of babies being born with deformities?

Our universities are global success stories, outward looking and open for business with the world, and attracting the brightest and the best students and researchers to produce ground-breaking research in areas from cancer to climate change. In the last year, UK universities received £836 million—

Mr Speaker: Order. I need a single-sentence question. Forgive me, but there are a lot of other colleagues who want to take part.

Yasmin Qureshi: What assurances can the Prime Minister give that, in the light of the fact that we are now out of the European Union, that money will be safe?

The Prime Minister: First, let me thank the hon. Lady for her thanks. She has raised the case of Primodos many times. The Medicines and Healthcare Products Regulatory Agency has been gathering evidence for a review by an expert working group on medicines, and it has met on three occasions. I think we are making progress.

On universities, until Britain leaves the European Union, we get the full amount of funding under Horizon and other programmes, as we would expect. All contracts under them have to be fulfilled, but it will be for a future Government, as they negotiate the exit from the EU, to make sure that we domestically continue to fund our universities in a way that makes sure that they continue to lead the world.

Q7. [905685] Kevin Foster (Torbay) (Con): As my right hon. Friend will know, the potential closure of the BHS store in Torquay town centre with the loss of more than 100 jobs has again raised the need for major regeneration of town centres across Torbay. Will he outline what support will be made available by the Government to ensure that plans can be taken forward?

The Prime Minister: First, it is worth making the point that it is a very sad moment for those BHS staff who have worked so long for that business. For them, it was not simply a high street brand; it was a job, a way of life and a means of preparing for their retirement and their pensions, and we must do all we can to help them and find them new work. There are many vacancies in the retail sector, and we must ensure that there is help for them to get those jobs. As for our high streets, we have put around £18 million into towns through a number of initiatives, and we should keep up those initiatives, because keeping our town centres vibrant is so vital. This sits alongside the biggest ever cut in business rates in England—worth some £6.7 billion in the next five years—and we need to say to those on our high streets that they should make the most of that business rate cut.

Q8. [905686] Mhairi Black (Paisley and Renfrewshire South) (SNP): One of my constituents who I have been working with for some time has had her mobility car removed after falling victim to a flawed personal independence payment assessment by Atos. After the involvement of my office, Atos has since admitted its error, yet my vulnerable constituent still remains housebound and without a suitable car. Will the Prime Minister offer his full assistance to rectify this cruel situation, and will he look again at the regulations that allowed this situation to occur in the first place?

The Prime Minister: Let me congratulate the hon. Lady on taking up this constituency case. Many of us have done exactly the same thing with constituents who have had assessments that have not turned out to be accurate. If she gives me the details, I will certainly look at the specific case and see what can be done.

Q9. [905687] Kevin Hollinrake (Thirsk and Malton) (Con): A report recently commissioned by Transport for the North, a body created by this Government, highlights the opportunity to halt the growing divide between north and south and to create 850,000 new jobs and £97 billion of economic growth by 2050. Does my right hon. Friend agree that, to build on our economic prosperity, we need to continue to rebalance infrastructure spending from London to the regions, particularly to the north of England?

The Prime Minister: My hon. Friend is absolutely right. The report shows that, if we do not take the necessary actions, we will see a continued north-south divide, which is why we are committed, for instance, to seeing increased spending on transport infrastructure go up by 50% to £61 billion in this Parliament. In his area, for example, we are spending £380 million on upgrading the A1 from Leeming to Barton, which will be a big boost for the local economy.

Q10. [905688] Chris Law (Dundee West) (SNP): I recently met Yemi, whose husband, Andy Tsege, a British citizen, has been on Ethiopia’s death row for over two years. Andy was kidnapped while travelling and illegally rendered to Ethiopia. He was sentenced to death six years ago at a trial that he was neither present at nor able to present any defence whatsoever to, in direct contravention of international law. He has been denied access to his wife and children, has spent a year in solitary confinement and has had no access to legal representation. Recent reports suggest that he is suicidal. Prime Minister, in your final weeks in office, will you finally demand the immediate release of Andy Tsege and bring him home to be reunited with his wife and children?

The Prime Minister: I can reassure the hon. Gentleman that we are taking a very close interest in this case. The Foreign Secretary was in Ethiopia recently. Our consul has been able to meet Mr Tsege on a number of occasions and we are working with him and with the Ethiopian Government to try to get this resolved.

Mr David Burrowes (Enfield, Southgate) (Con): One report that perhaps will not get so much attention is the Care Quality Commission’s report into North Middlesex University hospital, which confirms that the emergency
care there is inadequate. Why has it taken so many years and why does it need regulators to tell us what many of my constituents know: for too long, there has been inadequate care and too few doctors and consultants? Will the Prime Minister assure me that we now have in place the right plans and the right numbers of doctors and consultants to ensure that my constituents get the care that they deserve?

**The Prime Minister:** My hon. Friend raises an important point, which is that the CQC is now acting effectively at getting into hospitals, finding bad practice and reporting on it swiftly. In some cases, that bad practice has always been there, but we have not been as effective as we should have been at shining a light on it. North Middlesex University hospital has one of the busiest emergency departments in the country. Its practice was unacceptable. We now have a new clinical director at the trust, additional senior doctors in place at A&E and a change in governance. Under this Government, we set up the role of the chief inspector of hospitals, to have a zero-tolerance approach to such practice and to ensure that things are put right.

**Q11. [905689] Martyn Day (Linlithgow and East Falkirk) (SNP): The Secretary of State for Business, Innovation and Skills has stated that he wants the UK to borrow tens of billions of pounds to create a Growing Britain fund worth up to £100 billion. Is this a formal plan, or is it merely an attempt to conjure up a plan amid a leadership vacuum in the UK Government?**

**The Prime Minister:** We are spending billions of pounds on the British economy and on investment, as I have just shown, and that has clear consequences under the Barnett formula for Scotland. Clearly, my colleagues, during a leadership election—at least we on this side of the House are actually having a leadership election, rather than the never-ending—[Interruption.] I thought you wanted one? You don’t? Hands up who wants a leadership election. [Laughter.] Oh, they don’t want a leadership election! I am so confused: one minute it is the eagle is going to swoop, and the next minute it is Eddie the Eagle at the top of the ski jump not knowing whether to go or not. Anyway, in case you hadn’t noticed, we are having a leadership election.

**Mr Robin Walker (Worcester) (Con): Right from the start, this United Kingdom has been an outward looking international trading nation. I am glad to see that the Trade Minister, Lord Price—[Interruption.]**

**Mr Speaker:** Order. The hon. Member for Worcester is entitled to be heard and his constituents are entitled to be represented.

**Mr Walker:** Thank you, Mr Speaker. I am glad to see the Minister for Trade and Investment out in Hong Kong today talking up the prospects for investment in the British economy, but what steps can the Prime Minister take to bolster the resources available to UK Trade & Investment and the Foreign Office to make sure we attract as much trade and investment in the wide world as possible?

**The Prime Minister:** My hon. Friend makes an important point. A clear instruction has gone out to all our embassies around the world and to UKTI, and Ministers are very clear that we should be doing all we can to engage as hard as we can with other parts of the world and to start to think about those trade and investment deals and the inward investment we want in the UK. Businesses have been clear to us as well: whether they agree or disagree with the decision the country has made, they know we have to go on and make the most of the opportunities that we have.

**Q12. [905690] Rachel Reeves (Leeds West) (Lab): With the real prospect of a recession on the horizon, the offer from the Chancellor is to cut corporation tax, yet companies worry whether they will make a profit in the UK, not how much tax they will pay on it. Can the Prime Minister tell us what immediate action his Government will take to protect people’s jobs and livelihoods right now?**

**The Prime Minister:** Immediate action has been taken, not least the Bank of England decision to encourage bank lending by changing the reserve asset ratios it insists on. That is important because it is a short-term measure that can have some early effect. The Chancellor was talking about how we need to make sure that we configure all our policies to take advantage of the situation we are going to be in. That means changes to taxes and the way UKTI works, and a change in focus for the Foreign Office and the Department for Business, Innovation and Skills. We can make a start on all those things, irrespective of the fact that the hon. Lady and I were on the same side of the referendum campaign.

**Sir Gerald Howarth (Aldershot) (Con): Further to the question from my hon. Friend the Member for Worcester about UKTI, may I remind the Prime Minister that next Monday the greatest airshow in the world takes place at Farnborough in my constituency, which all right hon. and hon. Members are expected to attend? Last time, two years ago, deals worth £201 billion were signed at the Farnborough airshow, so may I prevail on my right hon. Friend, who may have a little more time on his hands, to come and open the show on Monday and encourage all other Ministers to attend?**

**The Prime Minister:** I am one of the first Prime Ministers in a while to attend the Farnborough airshow and I am happy to announce that I will be going back there this year, because it is very important. We have, I think, the second-largest aerospace industry in the world after the United States, and it is a brilliant moment to showcase that industry to the rest of the world and to clinch some important export deals, both in the military and in the civilian space. I will always do everything I can, whether in this job or in the future, to support British industry in that way.

**Q13. [905691] Alison Thewliss (Glasgow Central) (SNP): The UN Committee on Economic, Social and Cultural Rights recently joined the UN Committee on the Rights of the Child in expressing serious concerns about this Tory Government’s brutal welfare cuts. How much more international condemnation will it take before the Prime Minister drops his regressive two-child policy and scraps his rape clause?**

**The Prime Minister:** What we have seen under this Government is many more people in work, many fewer households where no one works, and many fewer
households with children where no one works; all those have been a huge success. Of course, the hon. Lady and her party have an opportunity, now that we have made some huge devolution proposals, including in the area of welfare: if they do not think that what we are doing on a UK basis—[Interruption.] I do not know why you are all shouting. You are getting these powers; instead of whinging endlessly, you ought to be starting to use them.

Mike Wood (Dudley South) (Con): As Sir John Chilcot finds that the only people who came out of the 2003 invasion of Iraq well were servicemen and civilians, will the Prime Minister look at how he can make sure that the precedent that he set last autumn for transparency and scrutiny ahead of military action becomes the norm for his successor?

The Prime Minister: I think we have now got a set of arrangements and conventions that put the country in a stronger position. I think it is now a clear convention that we have a vote in this House, which of course we did on Iraq, before premeditated military action, but it is also important that we have a properly constituted National Security Council, proper receipt of legal advice and a summary of that legal advice provided to the House of Commons, as we did in the case of both Libya and Iraq. These things are growing to be a set of conventions that will work for our country, but let me repeat that even the best rules and conventions in the world do not mean that we will always be confronted with easy decisions, or ones that do not have very difficult consequences.

Q14. [905692] Margaret Ferrier (Rutherglen and Hamilton West) (SNP): The Prime Minister will no doubt be aware of my constituent Pauline Cafferkey, a nurse who contracted Ebola in Sierra Leone in 2014, when she was there as part of the response that the Department for International Development organised to the outbreak. She and around 200 other NHS volunteers acting through UK-Med have not received an equivalent to the £4,000 bonus awarded to 250 Public Health England staff. Will the Prime Minister agree to meet me to discuss how DFID can rectify that?

The Prime Minister: I am very pleased that the hon. Lady raises this issue, because Pauline Cafferkey is one of the bravest people I have ever met, and it was a great privilege to have her come to No. 10 Downing Street. I am proud of the fact that she—and many others, I believe—have received a medal for working in Sierra Leone, which is something Britain should be incredibly proud of. We took the decision to partner with that country to deal with Ebola, and it is now Ebola-free. I will look specifically into the issue of the bonus—I was not aware of it—and I will get back to the hon. Lady about it.
The Prime Minister (Mr David Cameron): This morning, Sir John Chilcot has published the report of the independent Iraq inquiry. This is a difficult day for all the families of those who lost loved ones. They have waited for this report for too long, and our first thoughts today must be with them. In their grief and anger, I hope they can draw at least some solace from the depth and rigour of this report and, above all, some comfort from knowing that we will never forget the incredible service and sacrifice of their sons, daughters, husbands and wives—179 British servicemen and women and 23 British civilians who gave everything for our country. We must also never forget the thousands more who suffered life-changing injuries, and we must pledge today to look after them for the rest of their lives.

This report would have been produced sooner if it had been begun when Conservative Members and others first called for it back in 2006, but I am sure that the House will join me in thanking Sir John and his Privy Counsellors, including the late Sir Martin Gilbert, who sadly passed away during the work on this report.

This has been a fully independent inquiry. Government Ministers did not even see it until yesterday morning. The Cabinet Secretary led a process that gave Sir John full access to Government papers. This has meant an unprecedented public declassification of Joint Intelligence Committee papers, key Cabinet minutes, records of meetings and conversations between the UK Prime Minister and the American President, and 31 personal memos from the then Prime Minister, Tony Blair, to President George W. Bush. The inquiry also took evidence from more than 150 witnesses, and its report runs to 2.6 million words, in 13 volumes. It cost over £10 million to produce. Clearly the House will want the chance to study and debate it in depth, and I am making provision for two full days of debate next week.

There are a number of key questions that are rightly asked about Iraq. Did we go to war on a false premise? Were decisions taken properly, including the consideration of legal advice? Was the operation properly planned? Were we properly prepared for the aftermath of the initial conflict? Did our forces have adequate funding and equipment? I will try to summarise the key findings on these questions before turning to the lessons that I believe should be learned.

A number of reasons were put forward for going to war in Iraq, including the danger that Saddam posed to his people and to the region, and the need to uphold United Nations resolutions. However, as everyone in this House will remember, central to the Government’s case was the issue of weapons of mass destruction. Sir John finds that there was an “ingrained belief” genuinely held in both the UK and US Governments that Saddam Hussein possessed chemical and biological capabilities, and that he wanted to redevelop his nuclear capabilities and was pursuing an active policy of deceit and concealment.

There were some good reasons for this belief. Saddam had built up chemical weapons in the past and he had used them against Kurdish civilians and the Iranian military. He had given international weapons inspectors the run-around for years. The report clearly reflects that the advice given to the Government by the intelligence and policy community was that Saddam did indeed continue to possess and seek to develop these capabilities.

However, as we now know, by 2003 this long-held belief no longer reflected the reality. Sir John says:

“At no stage was the proposition that Iraq might no longer have chemical, biological or nuclear weapons or programmes identified and examined by either the Joint Intelligence Committee or the policy community.”

And as the report notes, the late Robin Cook had shown that it was possible to come to a different conclusion from an examination of the same intelligence.

In the wake of 9/11, the Americans were also understandably concerned about the risk of weapons of mass destruction finding their way into the hands of terrorists. Sir John finds that while it was reasonable to be concerned about the potential fusion of proliferation and terrorism, there was “no basis in the JIC Assessments to suggest that Iraq itself represented such a threat.”

On the question of intelligence, Sir John finds no evidence that intelligence was improperly included, or that No. 10—or Mr Blair personally—improperly influenced the text of the September 2002 dossier, but he does find that the use of Joint Intelligence Committee material in public presentation did not make clear enough the limitations or the subtleties of assessment. He says that the assessed intelligence “had not established beyond doubt either that Saddam Hussein had continued to produce chemical and biological weapons or that efforts to develop nuclear weapons continued”, and he says that the Joint Intelligence Committee “should have made that clear to Mr Blair.”

Sir John also finds that public statements from the Government conveyed more certainty than the Joint Intelligence Committee assessments. There was a lack of clarity about the distinction between what the JIC assessed and what Mr Blair believed. Referring to the text in Mr Blair’s foreword to the September 2002 dossier, he finds “a distinction between Mr Blair’s “beliefs and the JIC’s actual judgements.”

But in his words Sir John does not question Mr Blair’s belief or his legitimate role in advocating Government policy.

Turning to the question of legality, the inquiry has “not expressed a view as to whether or not the UK’s participation in the war was legal.” However, it does quote the legal advice which the Attorney General gave at the time and on which the Government acted—namely, that there was a legal basis for action. Nevertheless, Sir John is highly critical of the processes by which the legal advice was arrived at and discussed. He says:

“The circumstances in which it was ultimately decided that there was a legal basis for UK participation were far from satisfactory.”

I am sure hon. Members will want to study that part of the report carefully.

Sir John also finds that the diplomatic options had not at that stage been exhausted, and that “Military action was therefore not a last resort.”
The Prime Minister

Sir John says that when the second resolution at the UN became unachievable, the UK should have done more to exhaust all diplomatic options, including allowing the inspectors longer to complete their job.

Turning to the decision making, the report documents carefully the processes that were followed. There was a Cabinet discussion before the decision to go to war. A number of Ministers, including the Foreign and Defence Secretaries, were involved in much of the decision making. However, the report makes some specific criticisms of the process of decision making. In particular, when it came to the options for military action, it is clear that these were never discussed properly by a Cabinet Committee or Cabinet. Arrangements were often informal and sporadic, and frequently involved a small group of Ministers and advisers, sometimes without formal records.

Sir John finds that, at crucial points, Mr Blair sent personal notes and made important commitments to Mr Bush that had not been discussed or agreed with Cabinet colleagues. However, while Sir John makes many criticisms of process, including the way information was handled and presented, at no stage does he explicitly say that there was a deliberate attempt to mislead people.

Turning to operational planning, the initial invasion proceeded relatively rapidly, and we should be proud of what our armed forces managed to achieve so quickly. This was despite the fact that the military did not really have time to plan properly for an invasion from the south, because they had been focused on the north until a late decision from the Turkish Government to refuse entry through their territory. It was also in spite of issues over equipment, which I will turn to later.

But a bigger question was around the planning for what might happen after the initial operation, and we mentioned this briefly at Prime Minister’s questions. Sir John finds that

“when the invasion began, the UK government was not in a position to conclude that satisfactory plans had been drawn up and preparations made to meet known post-conflict challenges and risks in Iraq.”

He adds that the Government

“lacked clear Ministerial oversight of post-conflict strategy, planning and preparation and effective co-ordination between government departments”

and

“failed to analyse or manage those risks adequately.”

The Government—and here I mean officials and the military, as well as Ministers—remained too fixed on assumptions that the Americans had a plan, that the UN would play a significant role, with the international community sharing the burden, and that the UK role would be over three to four months after the conflict had ended. Sir John concludes that the Government’s failure to prepare properly for the aftermath of the conflict

“reduced the likelihood of achieving the UK’s strategic objectives in Iraq.”

And Sir John concludes that anticipating these post-conflict problems—and I quote, as I did at Prime Minister’s questions—

“did not require the benefit of hindsight.”

Turning to equipment and troops, Sir John is clear that the UK failed to match resources to the objectives. Sir John says categorically that delays in providing adequate medium weight Protected Patrol Vehicles and the failure to meet the needs of UK forces...for ISTAR and helicopters should not have been tolerated”, and he says that “the MOD was slow in responding to the developing threat in Iraq from Improvised Explosive Devices.”

The inquiry also identified a number of moments when it would have been possible to conduct a substantial reappraisal of our approach to the whole situation in Iraq and the level of resources required. But despite a series of warnings from commanders in the field, Sir John finds that no such reappraisal took place. Furthermore, during the first four years, there was “no clear statement of policy setting out the acceptable level of risk to UK forces and who was responsible for managing that risk.”

Sir John also finds that the Government—and in particular the military—were too focused on withdrawing from Iraq and planning for an Afghan deployment in 2006, and that further drew effort away.

Sir John concludes that although Tony Blair succeeded in persuading America to go back to the UN in 2002, he was unsuccessful in changing the US position on other critical decisions, and that “in the absence of a majority in the Security Council in support of military action at that point, the UK was undermining the authority of the Security Council”. While it is right for a UK Prime Minister to weigh up carefully the damage to the special relationship that would be done by failing to support the US, Sir John says that it is questionable whether not participating militarily on this occasion would have broken the partnership. He says there was a substantial gap from the outset between the ambitious UK objectives and the resources that Government were prepared to commit, and that even with more resources, the circumstances surrounding the invasion made it difficult to deliver substantive outcomes.

While the territorial integrity of Iraq remained, deep sectarian divisions opened, and thousands of innocent Iraqi civilians lost their lives. While these divisions were not created by the international coalition, Sir John believes they were exacerbated, including through the extent of de-Ba’athification, and they were not addressed by an effective programme of reconciliation. Overall, Sir John finds that the policy of Her Majesty’s Government fell far short of meeting its strategic objectives and helped to create a space for al-Qaeda.

Of course, the decision to go to war came to a vote in this House, and Members on all sides who voted for military action will have to take our fair share of the responsibility. We cannot turn the clock back, but we can ensure that lessons are learned and acted on. I will turn to these in a moment and cover all the issues around machinery of government, proper processes, culture and planning, some of which we discussed in Prime Minister’s questions, but let me be the first to say that getting all of these things right does not guarantee the success of a military intervention.

For example, on Libya, I believe it was right to intervene to stop Gaddafi slaughtering his people. In that case, we did have a United Nations Security Council
resolution. We did have proper processes. We did have comprehensive advice on all the key issues. And we did not put our forces on the ground. Instead we worked with a transitional Libyan Government. But getting these things right does not make the challenges of intervention any less formidable. The difficulties in Libya are plain for everyone to see today.

As the Prime Minister for the last six years, reading this report, I believe there are some lessons that we do need to learn and, frankly, keep on learning. First, taking the country to war should always be a last resort and should only be done if all credible alternatives have been exhausted.

Secondly, the machinery of government does matter. That is why, on my first day in office, I established the National Security Council to ensure proper co-ordinated decision making across the whole of government, including those responsible for domestic security. This council is not just a meeting of Ministers; it has the right breadth of expertise in the room, with the Chief of the Defence Staff, the Chairman of the Joint Intelligence Committee, the heads of the intelligence services, and relevant senior officials. The Attorney General is now a member of the National Security Council.

I also appointed the UK’s first national security adviser, with a properly constituted team in the Cabinet Office to ensure that all the key parts of our national security apparatus are joined up. The national security machinery also taps the experience and knowledge of experts from outside Government. This helps us to constantly challenge conventional wisdom within the system and avoid, hopefully, group-think. It is inconceivable today that we could take a premeditated decision to commit combat troops without a full and challenging discussion in the National Security Council, on the basis of full papers, including written legal advice, prepared and stress-tested by all relevant departments, with decisions formally minuted.

Thirdly, I would argue also that the culture established by Prime Ministers matters too. It is crucial to good decision making that a Prime Minister establishes a climate in which it is safe for officials and other experts to challenge existing policy and question the views of Ministers, and the Prime Minister, without fear or favour. There is no question today but that everyone sat around the NSC table is genuinely free to speak their mind.

Fourthly, if we are to take the difficult decisions to intervene in other countries, proper planning for what follows is vital. We know that the task of rebuilding effective governance is enormous. That is why we created a conflict, stability and stabilisation fund, and beefed up the cross-government stabilisation unit, so that experts are able to deploy in post-conflict situations anywhere in the world at short notice. Frankly, none of this would be possible without the historic decision that we have taken to commit 0.7% of our gross national income on overseas aid. A lot of that money is spent on conflict-affected and fragile states, not only assisting with post-conflict planning but also trying to prevent conflicts in the first place.

Fifthly, we must ensure that our armed forces are always properly equipped and resourced. That is why we now conduct a regular strategic defence and security review to ensure that the resources we have meet the ambitions of the national security strategy. We are meeting our NATO commitment to spend 2% of our GDP on defence, and planning to invest at least £178 billion on new military equipment over the next decade. We have also enshrined the armed forces covenant in law to ensure that our armed forces and their families receive the treatment and respect they deserve. Sending our brave troops on to the battlefield without the right equipment was unacceptable, and whatever else we learn from this conflict, we must all pledge that this will never happen again.

There will be further lessons to learn from studying this report, and I commit today that that is exactly what we will do, but in reflecting on this report, and my own experience, there are also some lessons here that I do not think we should draw. First, it would be wrong to conclude that we should not stand with our American allies when our common security interests are threatened. We must never be afraid to speak frankly and honestly, as best friends always should. And where we commit our troops together, there must be a structure through which our views can be properly conveyed and any differences worked through. But it remains the case that Britain and America share the same fundamental values, that Britain has no greater friend or ally in the world than America, and that our partnership remains as important for our security and prosperity today as it has ever been.

Secondly, I think it would be wrong to conclude that we cannot rely on the judgments of our brilliant and hard-working intelligence agencies. We know the debt we owe them in helping to keep us safe every day of the year. Since November 2014, they have enabled us to foil seven different planned terrorist attacks on the streets of the UK. What this report shows is that there needs to be a proper separation between the process of assessing intelligence and the policy making that flows from it. And as a result of the reforms since the Butler report, that is what we have in place.

Thirdly, it would be completely wrong to conclude that our military is not capable of intervening successfully around the world. Many of the failures in this report were not directly about the conduct of the armed forces as they went into Iraq, but rather the failures of planning before a shot was fired. There is no question but that Britain’s armed forces remain the envy of the world, and the decisions we have taken to ensure that they are properly resourced will ensure they stay that way.

Finally, we should not conclude that intervention is always wrong. There are unquestionably times when it is right to intervene, as this country did successfully in Sierra Leone and Kosovo. I am sure that many in this House would agree that there have been times in the recent past when we should have intervened but did not, such as in failing to prevent the genocides in Rwanda and Srebrenica.

Intervention is hard. War fighting is not always the most difficult part. Often, the state-building that follows is a much more complex challenge. We should not be naive to think that just because we have the best prepared plans, in the real world things cannot go wrong. Equally, just because intervention is difficult, it does not mean that there are not times when it is right and necessary.

Yes, Britain has to, and will continue to, learn the lessons of this report. But as with our intervention against Daesh in Iraq and Syria today, Britain must not
and will not shrink from its role on the world stage or fail to protect its people. I commend this statement to the House.

12.51 pm

Jeremy Corbyn (Islington North) (Lab): Before addressing the issues raised in the Iraq inquiry report, I would like to remember and honour the 179 British servicemen and women who were killed and the thousands maimed and injured during the Iraq war, and their families, as well as the hundreds of thousands of Iraqis who have died as a result of the invasion and occupation launched by the US and British Governments 13 years ago.

Yesterday, I had a private meeting with some of the families of the British dead, as I have continued to do over the past dozen years. It is always a humbling experience to witness the resolve and resilience of those families and their unwavering commitment to seek truth and justice for those whom they lost in Iraq. They have waited seven years for Sir John Chilcot's report. It was right that the inquiry heard evidence from such a wide range of people and that the origins, conduct and aftermath of the war were examined in such detail. However, the extraordinary length of time that it has taken for the report to see the light of day is, frankly, clearly a matter of regret.

I should add that the scale of the report, running to 6,275 pages, to which I was given access only at 8 o’clock this morning, means that today’s response, by all of us, can only be a provisional one.

The decision to invade and occupy Iraq in March 2003 was the most significant foreign policy decision taken by a British Government in modern times. It divided this House and set the Government of the day against a majority of the British people, as well as against the weight of global opinion. As Sir John Chilcot says, the war was not in any way a “last resort”. Frankly, it was an act of military aggression launched on a false pretext, as the inquiry accepts, and has long been regarded as illegal by the overwhelming weight of international legal opinion. It led to the deaths of hundreds of thousands of people and the displacement of millions of refugees. It devastated Iraq's infrastructure and society.

As the report indicates, the occupation fostered a lethal sectarianism that turned into a civil war. Instead of protecting security at home or abroad, the war fuelled and spread terrorism across the region. Sunday's suicide bomb attack in Baghdad that killed over 250 people, the deadliest so far, was carried out by a group whose origins lie in the aftermath of the invasion, and that the origins, conduct and aftermath of the war were examined in such detail. However, the extraordinary length of time that it has taken for the report to see the light of day is, frankly, clearly a matter of regret.

The decision to invade Iraq in 2003 on the basis of what the Chilcot report calls “flawed intelligence” about weapons of mass destruction has had a far-reaching impact on us all. It has led to a fundamental breakdown in trust in politics and in our institutions of government. The tragedy is that while the governing class got it so horrifically wrong, many of our people actually got it right. On 15 February 2003, 1.5 million people here, spanning the entire political spectrum, and tens of millions of others across the world, marched against the impending war. That was the biggest demonstration in British history.

It was not that those of us who opposed the war underestimated the brutality or the crimes of Saddam Hussein’s dictatorship. Indeed, many of us campaigned against the Iraqi regime during its most bloody period, when the British Government and the US Administration were supporting that regime, as was confirmed by the 1996 Scott inquiry. But we could see that this state, broken by sanctions and war, posed no military threat, and that the WMD evidence was flimsy and confected.

We could see that going to war without United Nations’ authorisation was profoundly dangerous, and that foreign invasion and occupation would be resisted by force, and would set off a series of uncontrollable and destructive events.

If only this House had been able to listen to the wisdom of many of our own people when it voted on 18 March 2003 against waiting for UN authorisation for a second resolution, the course of events might have been different. All but 16 Members of the official Opposition at that time supported the war, while many in my party voted against it, as did others in other opposition parties. There are Members here today on all Benches, including dozens of my Labour colleagues, who voted against the war. But none of us should take any satisfaction from this report. [ Interruption. ] Instead, I believe that all of us— [ Interruption. ]

Mr Speaker: Order. We cannot have a running commentary on the statements made from the Front Bench. Members of this House know me well enough to know that I will allow all opinions to be expressed. If that means that the Prime Minister has to be here for quite a long time, he is accustomed to that. The right lion. Gentleman is entitled to be heard with courtesy. If people want to witter away, they should leave the Chamber. It is boring and we do not need you.

Jeremy Corbyn: Thank you, Mr Speaker.

We have to be saddened at what has been revealed, and we must now reflect on it. In addition to all those British servicepeople and Iraqis, civilians and combatants, who lost their lives in the conflict, many members of this House who voted to stop the war have not lived to see themselves vindicated by this report. First and foremost, it would do us well to remember Robin Cook, who stood over there, 13 years ago, and said in a few hundred words, in advance of the tragedy to come, what has been confirmed by this report in more than 2 million words.

The Chilcot report has rightly dug deep into the litany of failures of planning for the occupation, and the calamitous decision to stand down the Iraqi army and to dissolve the entire Iraqi state as a process of de-Ba’athification. However, the reality is that it was the original decision, to follow the US President into this war in the most volatile region of the world and impose a colonial-style occupation, that led to every other disaster. The Government’s September 2002 dossier, with its claim that Iraq possessed weapons of mass destruction that could be deployed in 45 minutes, was only the most notorious of many deceptions. As Major General Michael Laurie told the inquiry:

“We knew at the time that the purpose of the dossier was precisely to make a case for war, rather than setting out the available intelligence”.

[The Prime Minister]
Military action in Iraq not only turned a humanitarian crisis into a disaster, but it also convulsed the entire region, just as intervention in Libya in 2011 has sadly left the country in the grip of warring militias and terror groups. The Iraq war increased the threat of terrorism in our own country, as Baroness Manningham-Buller, former head of MI5, made clear to the inquiry.

There are many lessons that need to be drawn from the Iraq war and the investigation carried out by Sir John Chilcot in his inquiry: lessons for our Government, our country and this Parliament, and as well as for my party and every other party. They include the need for a more open and independent relationship with the United States, and for a foreign policy based on upholding international law and the authority of the United Nations, which allows for peaceful solutions to international disputes. We also need, and the Prime Minister indicated this, a much stronger oversight of security and intelligence services. We need the full restoration of proper Cabinet government to give Parliament the decisive say over any future decisions to go to war—based on objective information, not just through Government discretion but through a war powers Act, which I hope this Parliament will pass. As, in the wake of Iraq, our own Government and other western Governments increasingly resort to hybrid warfare based on the use of drones and special forces, our democracy crucially needs to ensure that their use is subject to proper parliamentary scrutiny.

There are no more important decisions a Member of Parliament ever gets asked to make than those relating to peace and war. The very least that Members of Parliament and the country should be able to expect is rigorous and objective evidence on which to base their crucial decisions. We now know that the House was misled in the run-up to the war, and the House must now decide how to deal with it 13 years later, just as all those who took the decisions laid bare in the Chilcot report must face up to the consequences of their actions, whatever they may be.

Later today, I will be meeting a group of families of military servicemen and women who lost loved ones, as well as Iraq war veterans and Iraqi citizens who have lost family members as a result of the war that the right hon. Gentleman and other western Governments launched in 2003. I will be discussing with them, our public and the Iraqi people the decisions taken by our then Government that led the country into war, with terrible consequences.

Quite bluntly, there are huge lessons for every single one of us here today. We make decisions that have consequences that go on not just for the immediate years, but for decades and decades afterwards. We need to reflect very seriously before we take any decisions again to take military action. We should realise that the consequences of those decisions will live with all of us for many decades to come, and will often be incalculable.

The Prime Minister: Let me briefly respond to that, because I want to leave as much time as I can for colleagues to make their points. I think the right hon. Gentleman is right to praise the families for the dignity that they have shown. I understand the regret over the time taken, and I think we all feel that. The only point I would make is that when you have an independent report, you have to allow it to be independent and you have to allow the chairman to make his or her own decisions in their own way. While it has been frustrating, I think that frustration has probably been better than intervention.

In terms of the time the right hon. Gentleman was given to read the report, I did not want politicians, including the former Prime Minister, to be given more time than the families themselves. That is why the 8 o’clock deadline was set. On the report itself, I think the right hon. Gentleman is right to say, and the report finds, that the intervention did create space for al-Qaeda. The only point I would make is that it is important to remember that violent Islamist extremism—al-Qaeda and all of that—started long before the Iraq war. It started long before 9/11, which was several years before the Iraq invasion. It is important to remember that.

In terms of the litany of failures, I have been able to read the executive summary and some other bits and pieces, as I am sure colleagues will. The right hon. Gentleman is right that there is a litany of failures: the disbanding of the army, the de-Ba’athification, the way the Coalition Provisional Authority worked and the failure to plan for the aftermath. There were very powerful points made by Sir John Chilcot.

In terms of the lessons to learn, many of the points the right hon. Gentleman made we have already put in place: proper Cabinet discussions, National Security Council discussions, parliamentary votes and the oversight of the intelligence agencies. Before coming up with even more ways to oversee our intelligence agencies, I would urge colleagues from right around the House to look at the way the beefed-up Intelligence and Security Committee works and at the other things that we have done, not least in the legislation going through both Houses. We do need to leave our intelligence services with a clear set of instructions and oversight arrangements, rather than changing them every five minutes.

A war powers Act can be discussed in the two-day debate. I have looked at it very carefully, and I have come to the conclusion that it is not the right thing to do. I think we would get ourselves into a legal mess. But the House should clearly debate it, as it will when it considers the report.

On the issue of the United States, the right hon. Gentleman calls for an open partnership. I do not believe that the United States is always right about everything, but I do believe that our partnership with the United States is vital for our national security. I rather fear that his approach is that the United States is always wrong. I do not think that they are always right, but I think that they are always our best partner, and we should work with them.

I urge the right hon. Gentleman and others to take the time to read the report—not in its entirety; I do not think any of us will have time for 3.8 million words—because it is very carefully judged and very carefully thought through. We should read it in conjunction with the statement that Sir John has given today, which is a very articulate distillation of what he says in his 200-page summary. I think that that is what we should be guided by.

Mr Kenneth Clarke (Rushcliffe) (Con): We will all need time to study the many damning conclusions in this report about how this catastrophic decision was reached in 2003, but the Prime Minister says that we
should read it with an eye to future lessons for the machinery of government. Although I know from my own experience that the introduction of the National Security Council was a very valuable innovation, does my right hon. Friend agree that his successor should be recommended to look at whether we should return to the pre-Blair era of full collective Cabinet responsibility with proper time for meetings, proper information and studied conclusions? Does he agree that we should also look at whether proper parliamentary accountability for these things should be reconsidered so that there are full and properly informed debates here held in good time before, in cases such as this, the military are deployed, everything is set in hand and the position is irreversible? We really do need to go back to a much more collective and accountable form of government.

The Prime Minister: My right hon. and learned Friend makes good points. Let me respond. In terms of Cabinet responsibility, yes, before a decision such as this is made we need to have a Cabinet meeting and Cabinet discussion, but I would not try to substitute that for the work that the NSC now does, in which the head of MI5, the head of MI6 and the Chief of the Defence Staff are around the table. They sit there as equal members able to speak up and tell us what they think. That debate is frankly more valuable than simply listening to other Secretaries of State, although they are there as well. I still think that that is the best place to do that.

Yes, we should have parliamentary debates and it is good if we have them in reasonable time. One of the issues with the Iraq debate was that it was so close to the point of decision that many colleagues felt that to vote in a different way was somehow to let down our troops on the eve of a vitally important decision. Early debate is always good.

Angus Robertson (Moray) (SNP): May I begin by thanking the Prime Minister for advance sight of his statement and for a few short hours this morning to have a look at the millions of words in the report? Today we remember the hundreds of thousands of people who have died in Iraq—Iraqi civilians and, of course, the 179 UK service personnel who have lost their lives. Today is an important and sombre day for their families, and our hearts go out to them.

The report that we are considering now will be pored over in the days, weeks and months ahead, and it should be the first step in learning the lessons from the UK’s most shameful foreign policy action in decades. Paragraph 409 of the executive summary of the Chilcot report confirms that on 28 July 2002, Tony Blair wrote to President Bush saying:

“I will be with you, whatever”.

Frankly, it is remarkable that the Prime Minister did not think that that was noteworthy enough to mention in his statement to the House. My first question to the Prime Minister is why he did not do so, given that much of the debate rests on the rationale of the Prime Minister of the time for signing up to whatever course of action the United States was prepared to pursue?

On intelligence, the report concludes at paragraph 807:

“The assessed intelligence had not established beyond doubt either that Saddam Hussein had continued to produce chemical and biological weapons or that efforts to develop nuclear weapons continued.”

I completely understand why the families of dead and injured UK service personnel, and hundreds of thousands of Iraqis, will feel that they were deceived about the reasons for going to war in Iraq. I completely understand why they also feel let down when it comes to the post-conflict situation, and the Chilcot report catalogues in graphic detail the failures in planning for post-conflict Iraq.

Paragraph 630 of the executive summary states that “when Mr Blair set out the UK’s vision for the future of Iraq in the House of Commons on 18 March 2003, no assessment had been made of whether that vision was achievable, no agreement had been reached with the US on a workable post-conflict plan, UN authorisation had not yet been secured, and there had been no decision on the UN’s role in post-conflict Iraq.” The summary goes on to say at paragraph 814:

“Mr Blair, who recognised the significance of the post-conflict phase, did not press President Bush for definite assurances about US plans, did not consider or seek advice on whether the absence of a satisfactory plan called for reassessment of the terms of the UK’s engagement and did not make agreement on such a plan a condition of UK participation in military action.”

In fact, the Chilcot report concludes, at paragraph 857:

“The UK did not achieve its objectives”.

Lack of planning has been evident since, in relation to Afghanistan, Libya and Syria; most recently there has been absolutely no plan whatever for Brexit. When will UK Governments of Tory or Labour hue actually start learning from the mistakes of the past so that we are not condemned to repeat them? I hope and expect that in the months ahead there will be the opportunity to hold to account those who are associated with and responsible for taking the UK to war in Iraq. It has not only caused hundreds of thousands of deaths; it has undermined people’s faith in Parliament and Government in the UK and left an indelible stain on Britain’s standing in the world.

The Prime Minister: I thank the right hon. Gentleman for his remarks. He rightly said that it is a sombre day—he is absolutely correct. He highlighted a number of the very serious mistakes that were made, not least on planning for the aftermath. He asked specifically why I did not mention the specific Tony Blair note to President Bush. I was trying to be very careful in my statement to accurately summarise what Sir John Chilcot has said. There was a whole section in my statement about the processes, and I said that Sir John had found that at crucial points Mr Blair sent personal notes and made important commitments to Mr Bush that had not been discussed or agreed with Cabinet colleagues. It is worth reading Sir John Chilcot’s statement from this morning about that.

The right hon. Gentleman rightly focused on paragraph 630 of the executive summary. It is a powerful paragraph that says that “when Mr Blair set out the UK’s vision for the future of Iraq in the House of Commons on 18 March 2003, no assessment had been made of whether that vision was achievable, no agreement had been reached with the US on a workable post-conflict plan, UN authorisation had not yet been secured” and so on. That is one of the most powerful passages in the report, and he is right to draw attention to it.
I do not accept that all the same failures are in some way apparent when it comes to planning in Afghanistan. In Afghanistan there was a very clear connection as a Taliban regime was playing host to al-Qaeda. The goal of Government policy, which I supported at the time and indeed put in place when I became Prime Minister, was to make sure that that country could not become a safe haven for al-Qaeda. There was some considerable success in pursuing that aim. There was a huge amount of planning on the post-conflict situation in Afghanistan, and we are still engaged in that. It is not right to say that there was no plan; there is a plan. There is a UK-run officer training academy to strengthen the Afghan army. But as I said earlier, you can have all the plans in the world, but these are still extremely difficult things to get right.

If the right hon. Gentleman is somehow saying that there is no point in ever taking part in any intervention or trying to help any of these countries, that is a different position, and he should be honest and say that. But I would argue that with Afghanistan and Libya—and indeed with Brexit—we have set out the alternatives. That does not mean they are easy.

Crispin Blunt (Reigate) (Con): The Foreign Affairs Committee has stayed its inquiry into our intervention in Libya in order to take into account the conclusions of the Iraq inquiry. Given that it could be claimed that the inquiry’s central conclusions apply to some degree or other to Libya—not least as stabilisation planning for Libya was described by my right hon. Friend the Member for Rutland and Melton (Sir Alan Duncan) at the time as “fanciful rot” and has been described to us since in evidence as “an unrealistic desktop exercise”—will the Prime Minister reconsider his understandable decision not to give oral evidence to us during the referendum campaign, so that the reach of the changes to the machinery of Government that he outlined earlier to the right hon. Member for Moray (Angus Robertson) can be properly assessed by the Committee?

The Prime Minister: I am grateful to my hon. Friend for his remarks. The Foreign Secretary will be giving evidence to his Committee. The Prime Minister is always asked to give evidence to every Select Committee of the House. I try to stick to answering questions here in the Chamber, and at the Liaison Committee and the National Security Committee, which bring together members of a number of different Committees. I do not think what he asks will be possible but I always consider any request.

Margaret Beckett (Derby South) (Lab): May I first wholeheartedly endorse the Prime Minister’s remarks about those who lost their lives? Does he agree that each of us, in Cabinet or in this House, are responsible and should take responsibility for our own individual decisions, albeit taken in good faith on the basis of evidence before us? Equally, does he agree that the men of hatred and death in al-Qaeda and Daesh/ISIL, should take responsibility for their actions and for the blood and horror that they inflict on others?

The Prime Minister: The right hon. Lady is absolutely right. I was a relatively new Back Bencher who sat up there on the Opposition Benches listening to the arguments and coming to my own conclusions. Anyone who voted for the conflict has to take their share of responsibility. I do not choose to go back and say, “Well, if I had known then what I know now,” and all the rest of it. I think you make a decision, you defend it at the time and then you have to live with the consequences and bear your share of responsibility. That is the position I take.

The right hon. Lady makes a very good point about the evil of violent extremists, whether al-Qaeda, Daesh or others. This problem in our world existed before the Iraq war. It exists and is worse today. We are doing all sorts of things in all sorts of ways to try to combat it. Although the debate about what happened in Iraq and the decisions that were taken is vital, we must not let it sap our energy for dealing with this cancer in our world, which is killing us in our own country.

Mr David Davis (Haltemprice and Howden) (Con): The Prime Minister referred to the cause or aim of the war as being weapons of mass destruction. I draw his attention back to the document sent from Tony Blair to the American President. After it says “I will be with you, whatever”, it goes on to say that the reason is that getting rid of Saddam Hussein is “the right thing to do.”

The aim was regime change, not WMDs. That fact, and the fact that, as Sir John Chilcot says, Blair’s commitment made it very difficult for the UK to withdraw support for military action, amount to a deception and a misleading of this House of Commons. It is not the only one. Sir John has been very careful about avoiding accusing the former Prime Minister of lying to the House, but a lot of the evidence suggests that he did. What action can this House take to deal with that?

The Prime Minister: My right hon. Friend makes an important point. I have had longer than anyone else to read the report, but I accept that trying to get to the bottom of that particular issue is difficult. Sir John Chilcot seems to be saying that the British Government had a policy of sort of coercive diplomacy—they wanted to use the pressure of the threat of military action to get Saddam to comprehensively disarm. Look, everyone is going to have to read the report and come to their own conclusions. From my reading of it, Sir John Chilcot is not accusing anyone of deliberate explicit deceit, but people will have to read the report and come to their own conclusions.

Tim Farron (Westmorland and Lonsdale) (LD): Today, we stand alongside the families of the 179 British servicemen and women and 24 British civilians who died in the Iraq war. We also stand beside the many more who continue to live with injuries sustained while serving their country in Iraq. We are proud of them and we honour them.

The Chilcot report makes clear the absolute determination of the former Prime Minister Mr Tony Blair to pursue war in Iraq, no matter what the evidence. There is a stark contrast between that single-minded determination to go to war and the reckless and complete absence of any plan for what would come next. What came next was 179 British servicemen and women killed, as well as 100,000, or more, Iraqi civilians. What came next was the fuelling of what is now ISIS-Daesh, which threatens not only Iraq but the middle east and the safety of us all.
In 2003, the much missed Charles Kennedy said in this House:

"The big fear that many of us have is that the action will simply breed further generations of suicide bombers."—[Official Report, 18 March 2003; Vol. 401, c. 786.]

Will the Prime Minister now take the opportunity on behalf of his party and this House to acknowledge that Charles Kennedy was right all along in leading opposition across the country to a counterproductive war? Should not those who accused Charles Kennedy of appeasement—some of whom are still on these Benches—apologise to him, his family, our servicemen and women, our country, and the people of Iraq?

The Prime Minister: My recollection of the debates is that there were honest disagreements between colleagues who were listening to the arguments and making their decisions. I do not think that anyone should be accused of appeasement for voting against the war, and neither should those who voted in favour of it in good faith and on the evidence that they were given be subject to unfair criticism. People who voted for the war, like me, have to take their share of the responsibility. That is important, but I do not think it right to accuse people who voted against the war of appeasement.

Mrs Caroline Spelman (Meriden) (Con): I was shadow International Development Secretary at the time, and I asked 91 written questions of the Government, culminating in an Opposition day debate on 30 January 2003 because I had not received any satisfactory answers. For the sake of the many, many victims, will the Prime Minister please assure the House that we have truly learned the lessons of failure to plan for contingency?

The Prime Minister: I remember well how effective my right hon. Friend was in holding those many debates. People say that we did not debate the post-war reconstruction of Iraq, but actually we debated it endlessly in the House, and a lot of questions were put and a lot of debates held. It is clear from the report that there was a total planning failure, an assumption that the Americans had a plan when they did not, and that the UN would move in comprehensively when it did not. According to Sir John, there was an assumption that British troops would be out in three to four months, which obviously did not happen. That is one of the clearest areas of criticism; it is the area of failure that should be accepted most clearly, and for which we should plan most carefully in any future conflict.

Ann Clwyd (Cynon Valley) (Lab): I thank the Prime Minister for summing up the main findings of the Chilcot report, although unlike him I have not had the opportunity to read even the summary. Does he agree that in 2003, when he, I, and many of our colleagues voted for the war, we did so on the basis of the knowledge that we had? Iraq was in breach of 17 UN resolutions in 2003. In 1988 Saddam Hussein had already killed half a million of his own people, and he went on to kill more and more, including the Shi’a and the Marsh Arabs in the south, and the Kurds in the north. In the mass graves at Al-Hillah lie 10,000 Iraqi bodies, many of them still undiscovered, and those of us who campaigned for human rights in Iraq over many years—I have done so for more than 30 years—were well aware of the torture and horrors that were happening in that country.

I wish people would ask Iraqis what they think of the invasion, because many Iraqis are grateful that we took the action that we did at that time. I hope that we have a greater opportunity to discuss those matters, because there was some planning—not enough. I agree—part of which I was involved in and can speak about. The horrors of Saddam Hussein and what he did to his own people in Halabja and elsewhere were clearly documented, and I think we were right to take part in that invasion.

The Prime Minister: I well remember that when I was on the Opposition Benches and the right hon. Lady was on the Government Benches, she made very powerful speeches about the appalling things that Saddam Hussein did to his own people and the practices in that country, which is a fair point. I also think that when the case was made, people were acting on the knowledge in front of them. It was not just about weapons of mass destruction; there was a sense that we were trying to uphold the position of the United Nations, and the massive danger that Saddam Hussein posed to the region and to his own people. However, those of us who voted for the war must be frank that the consequences of what followed have been truly very poor. That is what Sir John finds, in the section of his report in which he writes about the Government’s objectives not being met, and he states that far from dealing with the problem of regimes potentially linking up with terrorists, which Tony Blair talked about from this Dispatch Box, this action ended up creating a space for al-Qaeda. We must learn all those lessons, including the more painful ones.

Mr Peter Lilley (Hitchin and Harpenden) (Con): Does my right hon. Friend agree that there are lessons for every Member of the House, and every member of the media, regarding how we assess evidence? We can no longer take refuge in the pretence that we did not know the evidence about the non-existence of weapons of mass destruction. The report states: “The assessed intelligence had not established beyond doubt that Saddam Hussein had continued to produce chemical and biological weapons” or that efforts to develop nuclear weapons continued. That evidence was set out in the dossier, and as I showed in evidence to the Chilcot report, someone who read the dossier line by line could not fail to reach the same conclusion as Robin Cook, which was that there were no weapons of mass destruction. The fact that largely we did not reach that conclusion is because we have ceased to look at evidence and we rely on briefings from spin doctors and those on our Front Benches. If the House is to get a grip on issues in future, it must go back to looking at the evidence, and so should journalists.

The Prime Minister: A lot of things have changed since that evidence was produced in the way it was, and one of the most important things is the renewed independence and practices of the Joint Intelligence Committee. Ministers still see individual pieces of intelligence, and one wants to have a regular update, but the process of producing JIC reports and assessments is incredibly rigorous. I do not think that what happened could happen again in the same way, because the reports that we get from that Committee are now much clearer...
about what it knows, and what it thinks or conjectures, rather than anything else. I think we can avoid that situation. However, that does not solve the problem for the House of Commons, because it is impossible to share all that intelligence information widely with every Member of Parliament.

Mr Nigel Dodds (Belfast North) (DUP): May I join others in paying tribute to the servicemen and women, and the hundreds of thousands of civilians, who died in the conflict in Iraq? One of the greatest scandals of this whole episode is the lack of resources for our troops who were sent into battle without the equipment they needed, and that must never be allowed to happen again. Will the Prime Minister say why he believes that the national security machinery that he has established would have forestalled the evident mistakes made in Whitehall in the run-up to the commitment in Iraq?

The Prime Minister: I am grateful to the right hon. Gentleman for what he says. On the specific issue of equipment, money for our armed services is not infinite, but we have got rid of the black hole in the defence budget so that resources and commitments are more in balance. By having a security and defence review every five years—we have had two since I have been Prime Minister—we are matching what we are spending to the things that our forces and security require. That is a big improvement, but it depends on having the resources. I have tried to explain why the National Security Council architecture helps to solve some of those problems, but I am not standing here saying, “You can completely reduce any risk of mistake, planning, and all the rest of it”, because these things are by their nature very complicated.

Mr Dominic Grieve (Beaconsfield) (Con): Human institutions will never be perfect, and neither are they perfectible. The conclusions of the Chilcot inquiry into the way that legal advice and intelligence was processed, and intelligence used to inform policy, are pretty damning. My right hon. Friend has rightly highlighted that much has changed since then. I can certainly vouch for the fact that the processes by which legal advice is obtained—which I hope have been continued—are rather different from those that Sir John identified. The collation of intelligence is an extremely difficult skill. Is my right hon. Friend satisfied that it is subject to enough scrutiny and subsequent review to ensure that lessons can be learned when mistakes in intelligence assessment are made? That seems to be one of the key areas in which future decision making is capable of continuing improvement.

The Prime Minister: My right hon. and learned Friend is right that, post-Butler, the Joint Intelligence Committee is incredibly rigorous about reaching judgments: testing them around the experts in Whitehall, confirming them often with the Americans and others, and not pretending to know things that it does not know. On how well we test that, there is a role for the Intelligence and Security Committee in thinking about whether we have got judgments right after they have been made, but perhaps more thinking can be done on that.

I would just emphasise that for all the intelligence, briefing and information in the world, at the end we still have to make a decision. We never have perfect information on which we make that decision: we are weighing up a balance of risks. That is often the case, whether we are going to take action against terrorists or to try to help secure a particular national interest. In the end, we have to decide and then defend in this House the decision we have made.

Alan Johnson (Kingston upon Hull West and Hessle) (Lab): The epitaph on Robin Cook’s headstone in the Grange cemetery in Edinburgh reads as follows:

“I may not have succeeded in halting the war, but I did secure the right of Parliament to decide on war.”

The Prime Minister is right in saying that, in these circumstances, Parliament cannot be involved in the decision and then simply try to duck responsibility for the ramifications of that decision. Does he agree that the main element in the debate in which Parliament decided, on 13 March 2003, was not the 45-minute claim, which was not mentioned anywhere in those hours of debate, but the fact that Saddam Hussein and his murderous sons had spent 13 years running rings around the United Nations, ignoring 17 UN resolutions, including resolutions calling for all necessary means to stop him? Was that not the main issue in that debate? Has the Prime Minister found any evidence whatever of any lies told to Parliament on that day?

The Prime Minister: My memory of the debate is that it was about the balance of risks between action and inaction. The case made by the then Prime Minister was that there was a real risk of inaction against someone who had been defying the UN, had done terrible things to his people and threatened his neighbours. The danger was of that coming together with a potential programme of weapons of mass destruction and the other instabilities in the world post-9/11. We have to remember that it was post-9/11 when we were considering all this. That is what I think I felt, as a relatively young Back Bencher, we were voting on. Weapons of mass destruction were a part of the picture, not the whole picture.

On the right hon. Gentleman’s question about deliberate deceit, I think we have to read the report very carefully. I cannot see in here an accusation of deliberately deceiving people, but there is certainly information that was not properly presented. Different justifications were given before and subsequently for the action that was taken, and there are a number of other criticisms about processes, but deliberate deceit—I can find no reference to it.

Sir Edward Leigh (Gainsborough) (Con): I do not think the Prime Minister or the right hon. Member for Cynon Valley (Ann Clwyd), who voted for this war, should in any way feel ashamed of what they did or indeed be apologetic. As usual, the Prime Minister has
acted with honour and dignity, as he always does. The fact is that we believed the Prime Minister of the time—I was sitting on the Opposition Benches, too—about weapons of mass destruction. Frankly, with my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke), some of us walked into the No Lobby, but it was a narrow decision. I do not think there is any point in recriminations, because I think everybody in this House acted in good faith at the time. However, can we draw a lesson for the future? Surely, we must distinguish between unpleasant authoritarian regimes, such as those of Assad and Saddam, which we must deter and contain, and totalitarian terrorism movements, such as Daesh, which we must be prepared to seek to destroy?

The Prime Minister: My hon. Friend and I are not always on the same side of every argument, but on this I think he is absolutely right. There is a difference between deterrence and containment in some cases, and pre-emptive action when there is a direct threat to one’s country. That is a very good framework on which to think of these sorts of interventions. I would also add that there is a third: when we think we need to act to prevent a humanitarian catastrophe, which was the reason I stood at this Dispatch Box and said we should take action with regard to Libya. That is a very good framework for thinking about these matters.

Hilary Benn (Leeds Central) (Lab): All of us who voted for the Iraq war must and will take our share of responsibility, but there are many of us who do not regret the fact that Saddam Hussein is no longer in power, for the reasons so powerfully set out a moment ago by my right hon. Friend the Member for Cynon Valley (Ann Clwyd). Does the Prime Minister recognise that one of the wider lessons from Iraq is that we need a United Nations that is capable of giving effect to the responsibility to protect, so that brutal dictators who murder and terrorise their own population can and will be held to account?

The Prime Minister: As so often, the right hon. Gentleman speaks with great clarity on these matters. Of course, we need a UN that can do that. That is why we sometimes end up in the situation of being absolutely certain that it is right to take a particular action, but because of a veto on the United Nations Security Council, it somehow becomes legally wrong. There is a question sometimes about how can something be morally right but legally wrong. We therefore need to make sure we keep looking at reforming the United Nations, so we can bring those two things together.

Mr John Baron (Basildon and Billericay) (Con): In the hope that we all accept that war should always the measure of last resort once all other possible options have been exhausted and given the publication of the Chilcot report, will the Prime Minister now do something that no Government have done since 2003: finally and unequivocally admit that this intervention was both wrong and a mistake?

The Prime Minister: I think people should read the report and come to their own conclusions. Clearly, the aftermath of the conflict was profoundly disastrous in so many ways. I do not move away from that at all. I just take the view that if we voted in a particular way, we cannot turn the clock back. We have to take our share of responsibility, but we learn the lessons of what clearly went wrong.

Hywel Williams (Arfon) (PC): I thank the Prime Minister for prior sight of the report this morning. Point 20 states that “the diplomatic options had not at that stage been exhausted. Military action was therefore not a last resort.” So despite the lack of evidence of weapons of mass destruction and despite any possible deficiencies in the advice from the Joint Intelligence Committee, point 22 states: “Led by Mr Blair, the UK Government chose to support military action.”

Point 364 states that the UK Government held “that it was right or necessary to defer to its close ally and senior partner, the US.”

Given that, the undermining of the UN and the disastrous and horrible consequences, is it not inconceivable that Mr Blair should not be held to account for his actions?

The Prime Minister: The hon. Gentleman reads out some very important parts of the report. It is significant that Sir John Chilcot finds that this undermined the United Nations. Some of us felt at the time that the United Nations was being undermined by the actions of Saddam Hussein and the fact that he was not complying with so many resolutions, but we need to study that and take that into account. As for how people should account for themselves, it is for them to read the report and explain why they did what they did. My role here, on the publication of the report, is to allow the House to discuss it and set out the lessons I think we should learn. I am far more concerned about the future, and how we learn what is in here, rather than rerun the whole Iraq debate all over again.

Sir David Amess (Southend West) (Con): It may be unusual for anyone in this place to change the way they vote following a speech made here, and I cannot prove that I did so; but that is what I did on the night of the debate, because of what was said about weapons of mass destruction. I now have to listen and wrestle with my own conscience, and shame on me. The then Prime Minister must wrestle with his own conscience. Does my right hon. Friend agree with me that the then Prime Minister must take full responsibility for encouraging this House to take the decision it did, which had disastrous consequences that destabilised the world?

The Prime Minister: Of course it is right that the people who took the decision have to bear the responsibility. That is absolutely right.

Mike Gapes (Ilford South) (Lab/Co-op): I voted for the action in 2003. It was a difficult decision, but I do not apologise. I believe that we were right to remove the fascist regime of Saddam Hussein. The Prime Minister referred to what has happened in Libya and Syria. Can he speculate about what might have happened in Iraq if Saddam or Uday Hussein had been in power in 2011? Is it not likely that the Ba’athist fascists in Iraq would have
killed more than the 500,000 dead Syrians and created more than the 11 million refugees who have fled their homes and been displaced in Syria?

**The Prime Minister:** The hon. Gentleman asks a question that it is impossible to answer. I can say only that just as there are consequences of intervention, there are consequences of non-intervention. We have discovered that with Syria, where there have been appalling numbers of deaths and displacements of people, along with the booming industry of terrorism. One could argue in many ways that that is the consequence of non-intervention rather than intervention, but I cannot answer his question.

**Bob Stewart (Beckenham) (Con):** I thank my right hon. Friend for pledging on behalf of this House that our soldiers who suffered life-changing injuries in the Iraq war should be looked after for the rest of their lives. May I remind the House that we have an equal duty to soldiers who suffered life-changing injuries in previous conflicts, including some of my 35 men who were so badly wounded at Ballykelly on 6 December 1982, as well as others in the Regular Army, the Territorial Army, the Ulster Defence Regiment and members of the Royal Ulster Constabulary who suffered so grievously in previous conflicts?

**The Prime Minister:** With his military background, my hon. Friend is absolutely right to make that point. Iraq and Afghanistan have proved to be an enormous change in tempo for the British Army. We have seen not only a large number of people tragically losing their lives, but a very large number of people suffering from life-changing injuries—people who lost limbs but want to live full and active lives. Just as after previous major conflicts, the country came together to help make sure that happened, so it is important that we continue to fund and support facilities such as Headley Court and all the work that charities do. That will help others who suffered life-changing injuries in other conflicts.

**Alex Salmond (Gordon) (SNP):** Chilcot has concluded that this country did not go to war as a last resort, that the authority of the United Nations was undermined and that the chaos and carnage that has ensued can partly be explained by the complete lack of planning for the aftermath. Given that we now know from Chilcot of the report of the Iraq Inquiry that just as there are consequences, sometimes terrible, of military intervention, so there are consequences of non-intervention, as we are seeing at huge cost today in Syria?

**The Prime Minister:** The right hon. Gentleman is right to highlight those important aspects of the report. The war was not a last resort; we were not at that stage. According to Sir John Chilcot, the UN was undermined and a fundamental lack of planning led to so many of the subsequent problems. The right hon. Gentleman is also right that the people who took those decisions should be held accountable—in this House and in the court of public opinion. They should be accountable, too, to those who might want to take action through the courts, as has happened, with respect to equipment failures and all the rest of it in both Iraq and Afghanistan. Clearly, the Government of the day and the Prime Minister of the day have to account for themselves. I understand that Mr Blair is doing that right now.

**Jack Lopresti (Filton and Bradley Stoke) (Con):** In respect of the structure of government, does my right hon. Friend agree that the national security adviser should, rather than being a civil servant, be a Cabinet Minister? That would help to bring all the different strands of government together, provide more accountability and transparency, and perhaps more focus and better decision making. While we develop the convention that we come to this place to debate, discuss and vote on taking military action, is it not the case that ultimately any Prime Minister needs to retain the authority to deploy military force and take the military into action? We do not know what the future holds, and there might be circumstances in which it is impractical for Parliament to do so or we do not have the time to do so.

**The Prime Minister:** My hon. Friend is absolutely right on his second point. Prime Ministers do need to be able to deploy force or take action without parliamentary sanction if it is urgent and then to report to Parliament straight afterwards. Where there is a premeditated decision to take action, that convention has grown up, and I am happy to repeat it from the Dispatch Box. As for the national security adviser, I think it is right to have an expert. It does not have to be someone who is currently a civil servant—an expert could be brought in from outside—but it does need to be an expert who is garnering together the military, civilians, the intelligence and all the different parts of Whitehall. It needs to be someone who is full time, rather than a politician who is also running a Department.

**Mr Ben Bradshaw (Exeter) (Lab):** Will the Prime Minister put on the record that he believes all those who voted for the action against Saddam Hussein did so in good faith? On the very important lessons to be learned, does he acknowledge that just as there are consequences, sometimes terrible, of military intervention, so there are consequences of non-intervention, as we are seeing at huge cost today in Syria?

**The Prime Minister:** I am happy to make both those points. I am sure everyone, like me, came here, listened to the arguments, wrestled with the difficult decision and then took it. We can look back now and see how we feel about all the things that happened subsequently. I am sure that everyone made their decision in good faith. The consequences of non-intervention can be seen clearly in Syria, as I said in response to the hon. Member for Ilford South (Mike Gapes). This is true, and it is worth mentioning other humanitarian issues, as I did in my statement with respect to Srebrenica and Rwanda.

**Dr Andrew Murrison (South West Wiltshire) (Con):** Our troops shouldered the burden of Mr Blair’s disastrous Iraq war and paid the price in blood. On a gentler note and speaking as an Iraq veteran, I commend the Prime
Minister for the work he has done for our troops, our veterans and their families by improving their lot. Does my right hon. Friend share my hope and expectation that his successor will do the same?

**The Prime Minister:** I thank my hon. Friend for his kind remarks and for all the good work he has done, not least in commemorating the battles of the first world war 100 years ago. We have now set up, with the military covenant written into law and with the covenant support group, a mechanism in Whitehall so that every year we can try to go further in supporting armed forces, veterans and their families. This provides a mechanism for ideas to come forward. Whether by providing help through council tax, the pupil premium, free bus passes or better medical assistance, there is a forum for those ideas to be properly considered in a way that I do not think they were in the past.

**Caroline Lucas** (Brighton, Pavilion) (Green): We have heard a lot of criticism of the former Prime Minister, Tony Blair, all of it justified. I ask the Prime Minister to reflect on his own role and that of his colleagues in the Conservative party who voted for war in Iraq. His party were the official Opposition; they heard Robin Cook’s powerful speech demolishing the Government’s case; the Prime Minister had voices in his own party arguing that the invasion would be a catastrophe—the evidence was there if people chose to look for it. Would it not be a step towards restoring public trust in this House to offer some form of apology for the decision to support the war?

**The Prime Minister:** The hon. Lady wants to replay all the arguments of the day, but I do not see a huge amount of point in that. Members of Parliament came to this House, listened to the arguments and made the decisions in good faith. They can now reflect on whether they think the decisions they took were right or wrong. Instead of what she suggests, I think that we should try, as Sir John Chilcot does, to learn the lessons from what happened and find out what needs to be put in place to make sure that mistakes cannot be made in the future.

**Alex Chalk** (Cheltenham) (Con): The decision not to give Hans Blix more time to conclude his UN weapons inspections is surely one of the principal misjudgments of the pre-war period. Does my right hon. Friend feel that in the light of the changes he alludes to in the culture and practice of government, the scope for ignoring the UN in this way has been reduced?

**The Prime Minister:** My hon. Friend is right: one of the most powerful points in the report is that Blix should have been given more time. That argument was advanced at the time, but the way in which it is expressed by Sir John gives it even more force.

I do not think I can stand here and honestly say that all the changes we put in place make mistakes like that impossible. At the end of the day, Governments and Cabinet Ministers must make judgments on the basis of the evidence in front of them. The National Security Council, given the way in which it is set up, provides a better forum when it comes to making decisions, listening to arguments and hearing expert advice. I think that that makes it more difficult to press ahead if you cannot take expert opinion with you, although, of course, in the end Cabinet Ministers can decide.

**Mr David Winnick** (Walsall North) (Lab): However wrong it was to take military action on the basis of false intelligence—and I accept my responsibility in that I voted for military action—were not many of us very much influenced by Saddam’s notorious record? His aggression against the Iranian state, a war that lasted eight years, took the lives of hundreds of thousands of young people on both sides, but he was not satisfied with that, and two years later the aggression against Kuwait resulted in the first Gulf war. Would it not also be totally wrong to conclude that had it not been for this invasion—which, as I say, should not have taken place, because it was based on false intelligence—everything would have been fine in the middle east? Look at what is happening in Syria, where we did not intervene—rightly, I believe, and again I was influenced by what happened in relation to what we are discussing now.

**The Prime Minister:** I do not always agree with the hon. Gentleman, but I think he has put it very well. Saddam Hussein had an appalling record. He had gassed the Kurds, he had murdered his own people, and he had invaded his neighbour. He had used weapons of mass destruction in the past, we were being told that he was developing them again for the future, and we were being asked, on the basis of that, whether we could really risk leaving him in place and leaving those programmes in place, given the heightened risk post 9/11. Those were all very strong arguments, and I think it is worth recalling that.

It is also worth taking account of the hon. Gentleman’s other point. Who knows what would have happened if Saddam had still been in place at the time of the Arab spring, but it is quite possible to believe that his reactions to his own people would have been rather like the reactions of President Assad to his own people, which, I would argue, have perhaps done more to foment terrorism and cause extremism than anything else in the last decade.

**Johnny Mercer** (Plymouth, Moor View) (Con): Today is a dark day for the United Kingdom Government, a tragic day for Iraq, and a desperate day for the families of our servicemen and women, who I know are watching today. War is not a sport. This should be a time for deep reflection and humility, throughout the Government and throughout the upper echelons of the military who advise the Government.

I pay tribute to those who fought, and to their families. They are the best of us, they are the true patriots, and they made the greatest possible sacrifice for the liberties that we enjoy in the House. Does the Prime Minister agree that we must ensure that how we say we want to look after these people and how we actually look after them are the same thing?

**The Prime Minister:** As ever on these matters, my hon. Friend speaks with great clarity. He is right to say that this is a moment for deep reflection. He is also right to say that as we think of our armed service personnel and those who serve, we should be proud of what they
did. We should be proud of their bravery and their courage. They were obeying the command of this House, and obeying in the way in which we would expect them to. My hon. Friend is right to think of it like that. He is also right to say that we must ensure that the promises of the armed services covenant are kept in reality as well as on paper.

Derek Twigg (Halton) (Lab): May I say to the Prime Minister that we should remember that the real responsibility for the murder and killing of so many Iraqi civilians lies with Saddam Hussein, al-Qaeda and its offshoots, and, of course, Isis? May I also say this to him? Three main complaints were made about Tony Blair and the Government’s decision at the time. The first was that he misled Parliament, or lied to Parliament. The Prime Minister has said that that has not been found in the Chilcot report, but perhaps he would like to confirm that again. The second was that intelligence had been doctored, and, as I understand it from my quick reading of the report, that has not been found either. The third was that the war had been illegal. Of course, Chilcot is not deciding on that, but we do not know that he makes very clear in his report that it relied on evidence from the Attorney General, Lord Goldsmith, that it was legal to go to war at that point.

The Prime Minister: I am afraid that the hon. Gentleman will have to read the report in order to answer those questions in full, but, in shorthand, let me say this. First, the report makes clear that No. 10 and the Prime Minister did not wrongly alter the dossier that was produced. I think that there are some comments about how the report did not necessarily reflect all the things that were in other papers from the Joint Intelligence Committee, but that is a different point.

On the issue of whether the war was legal or illegal, Chilcot does not take a stand. Perhaps I will read out later exactly what he says, but he says that there was legal advice, that the legal advice made a legal case for a war, and that that is how the Government proceeded. However, he is not saying that he is taking a position.

On the issue of misleading Parliament, there is nothing in the Chilcot report that I can see that points to deliberate deceit, but there were clearly occasions when more information, or better information, could have been presented. I think that the report must be read carefully, but those are my shorthand answers to the hon. Gentleman’s questions.

Richard Drax (South Dorset) (Con): I thank my right hon. Friend for his statement. I gather from what I have heard so far that there will be no political recriminations, for reasons that I understand, but will he assure me that, as there will be no recriminations against those who sent our armed forces to war, there will be no recriminations against our armed forces who are being chased by ruthless lawyers for doing our bidding and looking after our nation?

The Prime Minister: I very much agree with what my hon. Friend has said. We are doing everything we can to get through and knock down these wholly unjustified inquiries, because by and large, as we would expect, British forces behaved entirely properly.

Mr Pat McFadden (Wolverhampton South East) (Lab): On this day, when we rightly reflect on our own intervention and our own responsibilities, it is important to remember that violence in Iraq did not begin in 2003. Among the Kurds in the north and the Shia in the south, the regime of Saddam Hussein killed hundreds of thousands of people.

The lessons that should be learned from the intervention are set out fully in the report, and they should be learned. It has also rightly been said that we should learn lessons from not having intervened in Syria, where there has been a humanitarian catastrophe. Does the Prime Minister agree that the conclusion from all the lessons learned should not be never to intervene? If that were the conclusion, it would result in the abandoning of oppressed people around the world, and the giving of a blank cheque to dictators and terrorist groups around the world.

The Prime Minister: I do agree with the right hon. Gentleman. I said in my statement that I thought there were lessons to learn but also lessons not to learn, and the lesson not to learn is that intervention is always wrong. There are occasions when it is right to intervene, because it is in the interests of our national security or because we are trying to prevent a humanitarian catastrophe. We should be very clear about the fact that there have been occasions when we have not intervened and when we have seen almost as much chaos and difficulty as we are seeing in Syria.

Tom Tugendhat (Tonbridge and Malling) (Con): I welcome my right hon. Friend’s statement, but will he join me in expressing slight concern not only about the shape of the centre of government that was there at the time of the Blair Government, but about the Departments that supported it? The top of the pyramid cannot work unless the supporting pillars are in place. I have only read the executive summary, so I cannot comment in detail, but it seems clear to me that parts of the Ministry of Defence, including the chiefs of staff, were not delivering the advice that the Government needed, and that elements of the Foreign Office had succumbed to a form of group-think that leaves me deeply concerned about the structure and the advice that are available to Governments.

The Prime Minister: I am going to hesitate before replying to my hon. Friend, because there is not a huge amount about that in the executive summary of the Iraq inquiry. I think we will probably have to dive into the volumes to see exactly what Sir John has to say about advice from the MOD, advice from the Foreign Office, how much group-think there genuinely was, and all the rest of it. So I would hesitate. I think we need to study the report, and then we can discuss the matter during next week’s debate.

Mark Durkan (Foyle) (SDLP): Those of us who come to the report scandalised anew by the duplicity of presentation and the paucity of preparation on such grave matters must nevertheless remember most those who are acutely burdened today by their cruel sense of futility of sacrifice in terms of lives lost, lives devastated and lives changed. The Prime Minister has rightly emphasised that lessons need to be learned, but we must be careful not to turn the report into a greywash by
conversion into a syllabus about foresight in government and oversight in Parliament. This is not a day for soundbites, but does the Prime Minister not agree that the hand of history should be feeling someone’s collar?

The Prime Minister: I do not think it is a greywash or a whitewash or an anything elsewash. I think, from what I have seen so far, that this is a thorough effort in trying to understand the narrative of the events, the decisions that were taken and the mistakes that were made. I think there is a huge amount to learn and everyone who has played a part in it has to take their responsibility for it.

James Heappey (Wells) (Con): It has been sobering this afternoon to hear the reflections of those who took the decision here in 2003. I went to Iraq in 2007 to deliver on that decision; it was a difficult and dangerous time. During that summer and the rest of the campaign, many of my friends and colleagues were sent home dead or injured.

The Prime Minister has spoken about the SDSR process, which now addresses the armed forces equipment requirements, but the threat evolves more quickly than that on the battlefield, particularly in an insurgency. Can the Prime Minister reassure the House that the urgent operating requirement process is now quick enough so that we will never again send troops into battle in vehicles that are not fit for purpose?

The Prime Minister: May I thank my hon. Friend for his service, and thank all who served on operations after 2003 all the way through to when we withdrew? I will never forget going to Iraq and meeting some of the soldiers, some of them on their second or third tour, and their sense that the situation was extremely difficult.

One of the positive things that have come out of this and Afghanistan is that the urgent operational requirement system means we have commissioned some fantastic kit for our soldiers, sailors and airmen more quickly, and responded to their needs. By the time our troops were coming out of Afghanistan—I had been there, I think, 13 times over a period of six or seven years—they were saying that our equipment was now better than the Americans’, that they had things more quickly and that new bits of kit could be produced for them. There are some positive lessons to learn from all of this, as well as, obviously, the negative ones.

Richard Burden (Birmingham, Northfield) (Lab): May I also ask the House to pause for a minute to remember Robin Cook, who had the courage to speak up against the orthodoxy of the day, and the courage to speak out as a voice of sanity in 2003? The sequence of events that led to the UK’s participation in the invasion of Iraq shows that where the unshakeability of a political leader’s self-belief so traps him or her in its own logic that he or she cannot see beyond it, the consequences can be catastrophic. As someone who voted against the war in 2003, I know that the Iraq war did not create from scratch the multiple problems that we see today in the middle east, but it has made them so much more intractable. Does the Prime Minister agree that at root what the peoples of the middle east want is not so different from what people over here want? They want security, they want respect, and they want to know that they are not treated with double standards by the international community.

The Prime Minister: I very much agree with the hon. Gentleman that we should recognise that what people in the middle east want is what we want, in terms of, as he says, respect, the right to decent government, the rule of law and decent standards.

It is worth reading the parts of the report about the weapons of mass destruction. It says in paragraph 496:

“The ingrained belief that Saddam Hussein’s regime retained chemical and biological warfare capabilities, was determined to preserve and if possible enhance its capabilities, including at some point in the future a nuclear capability, and was pursuing an active policy of deception and concealment, had underpinned UK policy towards Iraq since the Gulf Conflict ended in 1991.”

It was wrong that he had weapons of mass destruction—we now know he did not—but it is worth recalling the sense that I think everyone in this House had that it was very deeply ingrained in policy makers and policy thinkers that he did. So, yes, it is right that Chilcot comes to the conclusion that Robin Cook—standing on the Benches over there—was right to say, “You could look at the evidence and come to a different conclusion,” but it is important to remember just how many people and how many organisations were convinced that this was the basis of policy.

Alec Shelbrooke (Elmet and Rothwell) (Con): My right hon. Friend will attend the NATO Warsaw summit this weekend, and he will be acutely aware of the pressure that NATO and its member states feel from Russia right now. Is it not the case that President Putin will be examining very closely the action this Parliament takes moving forward? As Parliament knows, NATO can only act when its Security Council meets and decides to act, but article 5 says that an invasion of one country is an invasion of all. May I urge my right hon. Friend to make sure that this House does not move to a position whereby it has to approve that before we can take action, because otherwise we could find that the Iraq lessons, and Iraq as a whole, are used as another shield to never taking any military action?

The Prime Minister: My hon. Friend is right: we should not use this sobering moment of reflection, when we look at the mistakes that were made and the lessons to be learned, to think that somehow it is right for Britain to shrink away from international responsibilities and engagement. That would be the wrong lesson to learn from this.

Mr Alistair Carmichael (Orkney and Shetland) (LD): Like the Prime Minister, I remember the debates of February and March 2003; we were both elected for the first time in 2001. What I remember is that many of the Members then who asked questions and demanded evidence were heckled, barracked and shouted down. When we have our debate on this report, it is right that, as well as scrutinising the conduct of others, this House should turn some of that scrutiny on itself.

We now know that much of what was purported to be evidence in 2003 was obtained from people who had been tortured, having been illegally rendered. Will the
Prime Minister give me an assurance that this country will never again base its foreign policy judgments on evidence or information obtained in that way?

The Prime Minister: I can certainly give the right hon. Gentleman that assurance. That was something specifically addressed in the coalition Government: that we should not rely on, or use in any way, evidence delivered by means of torture.

Oliver Colville (Plymouth, Sutton and Devonport) (Con): I thank my right hon. Friend for giving such an excellent statement on this war. As he knows, my Plymouth, Sutton and Devonport constituency includes 3 Commando Brigade, whose wives and families have played a significant part in this whole conflict. Will he ensure that MPs representing other garrison cities are also given the names and details of the families so that we can communicate with them in order to talk to them about the impact this conflict will have had on their lives, too?

The Prime Minister: I am happy to give my hon. Friend that assurance. I think that work is in hand.

Dan Jarvis (Barnsley Central) (Lab): May I reiterate the comments about the loss of life in Iraq, and specifically take this opportunity to commemorate the service and sacrifice of our armed forces? They served in good faith, and we should be proud of them today, as we are every day.

It is critical that the public can have trust in the decisions we take in this place, and at no time is that truer than on a vote to take our country to war. Whatever we think about the judgment that was made, we should acknowledge that the bond of trust between the Government, this House and the public has been damaged by the decision that was taken in 2003, and we here in this place today now have an absolute need to put that right for the future. Will the Prime Minister consider reviewing how intelligence is shared with Members of this House before voting on military action, in addition to considering what steps could be taken to improve the ability of our MPs, armed forces and intelligence services to work together to take these most difficult decisions?

The Prime Minister: Let me join the hon. Gentleman, who himself served in our armed forces, in paying tribute to what our armed forces did in Iraq. They should be proud of the work they did; they were acting on behalf of this House of Commons and the Government who took that decision, and they behaved bravely and courageously, and we should remember that—and we should remember those who gave their lives and who were wounded.

On his question about how we share intelligence information with this House, I would just give him two reflections. One is that we have tried: in the case of Libya, and I think in the case of Syria, we tried to publish JIC-like assessments cleared for the House of Commons—and cleared, I might add, by officials rather than Ministers. The second point is to get the Chairman of the JIC to read the statement or speech made by the Prime Minister to make sure it accurately reflects the intelligence information. Those are two things we should try to do. Sometimes time is very short, and sometimes the picture is changing—the intelligence is changing—but those are good things to try to do. But I say again that there is no perfection in all this: we can receive and share as much intelligence as we like, but in the end we have to make a decision and make an argument for that decision, and then defend it if it is right or if it is wrong.

Ben Howlett (Bath) (Con): Given that the Chilcot report found that the UK Government undermined UN Security Council’s authority and given the result of the EU referendum, what plans do the Government have to reinforce the Foreign Office to restore our international reputation?

The Prime Minister: The Foreign Office has been restored in many ways. The former Foreign Secretary William Hague restored the language school and opened a number of embassies around the world, and the Foreign Office is once again seen as a great place to work, so I do not think that that is the problem. We just have to go on recognising that the combination of our 2% of GDP spend on the military, our 0.7% spend on aid and our proper funding of the Foreign Office actually enhance our soft and hard powers in the world.

Danny Kinahan (South Antrim) (UUP): I am always proud when we hear that we are not shrinking from our place on the world’s stage, but the brunt of that always falls on servicemen. Many people have spoken today about how we should be looking after our servicemen, giving them the right kit, the right mental health and legal support, but no one has yet said that we must also ensure that we always look after their families. When we review what we are doing every five years, can we guarantee that we are putting enough resources in and keep considering how we look after servicemen’s families?

The Prime Minister: I agree with the hon. Gentleman. I did mention service families, because it is important that we look after them, and the military covenant is partly about them.

Kevin Foster (Torbay) (Con): We have heard talk today about what a dreadful dictator Saddam was and how he had been ignoring UN rules, but the key question in 2003 was, “Why now?” That is why the intelligence around weapons of mass destruction was so crucial in trying to provide that “why now?” justification. Does the Prime Minister agree that the key thing about the special relationship is that it should be like any other relationship? The reason we are so close to some people is that they will tell us what we need to hear, not what we want to hear.

The Prime Minister: There is a good section of the report that is entitled “Why now?” because that was, I think, one of the sections of Tony Blair’s speech in this House. It is also important to read the part of the report about what would have happened if Britain had not stood alongside the United States. Sir John Chilcot’s view is that that would not have terminally damaged the special relationship, and I suspect that that view is probably correct.

Brendan O’Hara (Argyll and Bute) (SNP): As the right hon. Member for Haltemprice and Howden (Mr Davis) said earlier, John Chilcot today confirmed
the existence of a dirty deal between Tony Blair and President Bush to pursue regime change in Iraq months before the matter came to the Floor of this House. Given that, will the Prime Minister join me in demanding that Tony Blair apologise unreservedly to the families of the 179 UK service personnel killed and to the hundreds of thousands of Iraqi civilians who also died? Will the Prime Minister also join me in asking Mr Blair to apologise to the British public, whose faith in the democratic process has been fatally undermined by this whole sorry affair?

The Prime Minister: I think Mr Blair is probably speaking while we are here, so let us wait and see what he says in response to the report and whether it measures up to the level of events.

Jason McCartney (Colne Valley) (Con): The barbarity of Saddam Hussein is beyond doubt and my thoughts are with the thousands of Kurds murdered by chemical weapons in the genocide at Halabja in 1988. Despite that, I did not support the 2003 war. Can we just clarify that military action was being taken against Saddam Hussein before then? Will the Prime Minister acknowledge that Operation Warden and Operation Provide Comfort—the no-fly zones in northern and southern Iraq, of which he knows I have knowledge—meant that Saddam Hussein was a caged animal?

The Prime Minister: My hon. Friend, who served in at least one of those missions, has made this point before and it is set out in the report as well. There was a policy of deterrence and containment, and I think Sir John Chilcot argues quite persuasively that that situation should have continued for longer, with more UN action and more inspector action, before the last resort of military action. He makes that point very clearly.

Chris Leslie (Nottingham East) (Lab/Co-op): There are some practical constitutional lessons to be learned here, specifically for Parliament given its role in the process. For example, would it not be better if we had specific opportunity to scrutinise the Attorney General before such decisions are made? Should we not have better parliamentary scrutiny of the security services? On those occasions when we do have to come to a decision about military intervention, which is sometimes necessary, should there not be a better-equipped National Security Council, which somehow has a thread of accountability back to Parliament?

The Prime Minister: These are all interesting ideas and I am prepared to consider them. The Attorney General does answer questions in Parliament and is accountable to Parliament. The National Security Council’s members are accountable to Parliament and now there is this Committee of both Lords and Commons, in front of which I have appeared, that scrutinises the national security strategy. As I have said, our intelligence services are far more accountable than they have ever been, including giving speeches, openly, about what they are doing and then answering questions at ISC meetings in some considerable detail. I am always happy to consider other things, but we have come a huge way on accountability.

Dr Philippa Whitford (Central Ayrshire) (SNP): I, too, pay tribute to the troops. Those who have ended up with broken lives because of the war should be looked after through the covenant for the long term, not just while they serve. We all know of cases of troops and their families who continue to suffer.

The two things that come out of this process are that, in essence, what was being carried out was regime change, which would not normally be considered a legal basis for going to war, and that the planning for the peace afterwards was inadequate. Does that not apply to Libya? What we predominantly got caught up with in Libya was getting rid of Gaddafi and we have invested on nation building a fraction of what was spent on the war.

The other thing is that Saddam Hussein was known to have attacked his own people, yet we still sold him weapons after that. We are still selling weapons to Saudi Arabia and have personnel involved. We are also getting involved in Yemen, yet there has been no decision about that.

The Prime Minister: The hon. Lady is right to say that the bit of the report that deals with the issue of whether the Government were involved in coercive diplomacy to try to make Iraq go down a different path or whether this was regime change needs very careful reading, but I disagree with her on Libya. It was a humanitarian intervention to stop the slaughter of innocent people. We then assisted as forces in Libya strove to get rid of a man who was a brutal dictator and who had delivered Semtex to the IRA—Semtex is probably still available to some people in Northern Ireland today—so I defend that. However, as I said, we can put all the processes and procedures in place and put money in, as we have done with Libya, and it can still be difficult to get a good outcome.

Kate Hoey (Vauxhall) (Lab): Many of us who voted against the war, particularly those on the Government side, remember the day vividly. We remember the arm-twisting and the letters trying to tell us to go and see the Prime Minister or the Foreign Secretary. There was almost hysteria about getting the vote through. One lesson for Parliament and for Members of Parliament on both sides is that, sometimes, your country comes before your party.

The Prime Minister: I think your country should always come before your party. I am not a huge believer in arm-twisting, but there are sometimes occasions when you believe a course of action to be profoundly right and you want to try to persuade your colleagues. I persist in the view that it would have been better to take action with the United States against Assad after his use of chemical weapons—when he crossed that red line—and I attempted to persuade my colleagues. I do not think that I physically twisted anybody’s arm—it was more mental persuasion. I was not successful on that occasion, but that does not mean that it was not worth trying.

Pete Wishart (Perth and North Perthshire) (SNP): Hundreds of thousands of deaths, a region destabilised, a generation radicalised, a House deceived by a fabricated case for war—all of that is indelibly linked with one
man, who may as well have “Iraq” tattooed on his forehead. Someone must be held to account for what has happened over the course of the past few years.

The Prime Minister: As I have said, everyone has to account for their actions, such as the people who voted for this and the people who proposed it, and for the failure to plan. There is a whole set of arguments in this document that people want to consider to see how best to hold people to account.

Ian Austin (Dudley North) (Lab): It is clear from these exchanges that the report will not settle questions about whether the war was right or wrong, but it should lay to rest once and for all allegations of bad faith, lies and deceit. The report clearly finds that there was no falsification or improper use of intelligence, no deception of the Cabinet and no secret commitment to war.

The Prime Minister: I think that everyone will have to study the report carefully. In an earlier answer I tried to give some shorthand answers to the question of deceit and the question of legality but, like the hon. Gentleman, I feel that many of these arguments will go on and on.

Several hon. Members rose—

Mr Speaker: Order. Somebody has just moaned about not being called to ask a question. I try to call everybody, but although what each individual has to say is enormously important to him or her, it is not necessarily any more important than what anybody else has to say. [Interruption.] Order. I do not need any help in the discharge of my duties. I will call colleagues, but colleagues need to be patient, and I am sure that none of them, for one moment, would be self-important—that is unimaginable.

Peter Kyle (Hove) (Lab): I am very grateful, Mr Speaker. From my early and hurried reading of the report, I can see no evidence that anybody acted in bad faith. However, I am very aware that the report refers to a war that started 13 years ago. There have been several conflicts since; we intervened in Libya with airstrikes but not ground troops, and in Syria we did not act for several years. Is there anything about those subsequent conflicts since; we intervened in Libya with airstrikes but not ground troops, and in Syria we did not act for several years. Is there anything about those subsequent conflicts, in which the Prime Minister led, that leads him to disagree with some of the report’s conclusions?

That would give us an updated view so that we do not have to hold people to account.

The Prime Minister: I think that everyone will have to study the report carefully. In an earlier answer I tried to give some shorthand answers to the question of deceit and the question of legality but, like the hon. Gentleman, I feel that many of these arguments will go on and on.

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That would give us an updated view so that we do not have to hold people to account.

The Prime Minister: Questions like that probably need to wait for the debate, because they need longer answers. The only point I will make now is that in the case of Libya obviously we decided not to put in ground troops. That had the advantage of ensuring that there were not UK military casualties, but of course it had the disadvantage that we were less able directly to put in place a plan on the ground. The point I have tried to make today—maybe not as clearly as I should—is that these things are very difficult, by their very nature. We can have the best military plan and the best post-conflict plan—those are definitely needed—but even then there is no certainty that we will ultimately be successful. We should not pretend that there is some perfection that we can achieve. We can do a lot better than was done in the past, but we will never be perfect.

Tom Brake (Carshalton and Wallington) (LD): I commend Charles Kennedy for the leadership he provided to me and others on this issue. Members who were not in the House in 2003 might not be aware of quite how difficult that decision was and how much criticism Charles and my colleagues received at the time. Does the Prime Minister believe that there are any pointers in the Chilcot report, or indeed anything from his personal experience, that could help opposition parties faced with a similar decision in future to be better placed to scrutinise the decisions that a Government might be about to take?

The Prime Minister: That is a very good question. I think that all the advances that have been made, such as Select Committees having access to Government papers, scrutiny of the intelligence and security services, and the production of written summaries of legal advice, help, but in the end we cannot substitute for judgment.

Ian C. Lucas (Wrexham) (Lab): In March 2013 Hans Blix believed that Saddam Hussein had weapons of mass destruction, but he wanted more time. I voted on that day to give him more time, but the official Opposition did not, and in my view they failed in their duty to scrutinise properly. Does the Prime Minister agree that a lesson for today is that in order for a Government to work effectively, they have to have a competent and effective Opposition?

The Prime Minister: I am all for competent and effective opposition. On the job of the Opposition, I take both bits seriously: Her Majesty’s loyal Opposition. If you think the Government are making a decision in the interests of the country, you should support it. If you think they are making a mistake, you should oppose it. The job is not to oppose come what may.

Jim Shannon (Strangford) (DUP): Prime Minister, thank you for your statement. You referred, in particular, to the lessons that need to be learned from the Chilcot report. You referred to assistance for veterans. We know that 179 brave service personnel gave their lives in the Iraq war, but the family support package at that time meant that only two welfare officers were left at the headquarters. I know that that has changed and that those steps have been taken to ensure that veterans are not forgotten. The Government send the brave people to war and so should be more than willing to step up to the plate and deliver for them. Prime Minister, what will be done as a result of the Chilcot inquiry to address the family support criteria and the very high suicide rates among veterans?

The Prime Minister: The hon. Gentleman asks an important question. The report states that huge improvements have since been undertaken to improve family support and liaison, but I suspect that we need to do even more in the area of mental health. That is one of the reasons why the Government have given that area such a boost.

Mr Speaker: The hon. Member for Strangford (Jim Shannon) is one of the most humane and, rightly, well-liked Members of the House—indeed, I think that he is almost loved in many parts. I say to him very
deployment of forces earlier than anticipated and the decision by the then Prime Minister, and the subsequent delay in military preparation, a politically expedient and to their families. who served, whether they came home or sadly did not, Above all else, we should today pay tribute to all those and another still serves in our armed forces today.

But Sir John Chilcot says very clearly that he thinks it Saddam was in breach of so many of its resolutions. felt that one of the reasons for going to war was to try a very interesting question, because before now I always relation to the United Nations Security Council? the 139 Labour MPs who voted against the war that We have made some commitments to supporting a post-conflict reconstruction plan for Syria, but I do not agree with the hon. Gentleman about the two votes we had in this House. We won one of them, but I wish that we had won both. I think that taking action against Assad would have been a stronger response against his use of chemical weapons and a stronger response by the west. I think that it would have encouraged the legitimate opposition and that it could have helped bring the conflict to a more rapid closure. The second vote, which we did win, was right. Britain has played a very proud part in the progress that has been made in Syria, making sure that the people who directly threaten us in this country are being properly combated.

Kevin Brennan (Cardiff West) (Lab): Those of us who were here on 18 March 2003 will know that there were no moral certainties available that evening. As one of the 139 Labour MPs who voted against the war that night, I can say that I have always respected those who made a different decision based on what they had heard. What does the Prime Minister think is the lesson from Chilcot about our relationship with the United Nations and the way we acted on that occasion in relation to the United Nations Security Council?

The Prime Minister: I think the hon. Gentleman asks a very interesting question, because before now I always felt that one of the reasons for going to war was to try to uphold the authority of the United Nations, given that Saddam was in breach of so many of its resolutions. But Sir John Chilcot says very clearly that he thinks it undermined the United Nations, so I want to read that part of the report very carefully.

Neil Gray (Airdrie and Shotts) (SNP): I declare an interest, as my eldest brother served in both Iraq wars, and another still serves in our armed forces today. Above all else, we should today pay tribute to all those who served, whether they came home or sadly did not, and to their families.

I draw the Prime Minister’s attention to pages 121 and 122 of the executive summary, which relate to the delay in military preparation, a politically expedient decision by the then Prime Minister, and the subsequent deployment of forces earlier than anticipated and the resulting lack of equipment. Does he agree that those decisions unnecessarily cost the lives of some of my brother’s colleagues, as there was insufficient time to overcome the shortfall in necessary war-fighting equipment?

The Prime Minister: First, I thank the hon. Gentleman’s family, through him, for their service in the past and currently. I cannot give him an answer now. I have read pages 121 and 122, but I want to study the report more carefully to see whether it really does say that the delay had the effect that he describes. Perhaps I can write to him about that.

Alison McGovern (Wirral South) (Lab): I join all those in the House in paying tribute to our armed forces. We owe them a huge debt of gratitude. I will quote from the resignation speech of Robin Cook: “Our interests are best protected not by unilateral action but by multilateral agreement and a world order governed by rules.”—[Official Report, 17 March 2003; Vol. 401, c. 726.]

Does the Prime Minister agree that that statement is as true today as it was then, and that one response to this report must therefore be a deep commitment to the United Nations, to NATO and to somehow rebuilding our relationship with our European friends?

The Prime Minister: I agree with the hon. Lady that we should all want to be committed to a world of rules and strong institutions, but I think we all have to accept that there can be difficult occasions when—I am not referring here to Iraq specifically—if there is a veto by one Security Council member and we say, “We can only act when the UN sanctions it,” we are stuck with rules that lead us to take a potentially immoral decision not to act to stop a humanitarian catastrophe or suchlike. We have to be careful. Yes, we want institutions and rules, but we should reserve the ability to act when we think it is either in our national interest or in a humanitarian interest to do so.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): I must first declare an interest in that my husband has served in our armed forces. It is crucial for armed forces families to have the utmost faith in governmental procedures and in parliamentary scrutiny before they send their loved ones to war. Does the Prime Minister agree that the decisions made on Iraq have undermined their faith, and will he apologise to them for the failings highlighted in the report, in an effort to reach out and rebuild their trust?

The Prime Minister: I think that the best thing we can do is to make sure that when mistakes are made and when bad consequences follow, as was the case with Iraq and the failure to plan and the rest of it, reports such as this are commissioned, properly discussed and debated, and the lessons learned. That is the most important thing we can do, and that is something that this Government and the previous one, who commissioned the report, are committed to doing.

Imran Hussain (Bradford East) (Lab): As a newly elected councillor, my very first motion before my council was to oppose this unjust war, and I want to reaffirm that position strongly today. We have found out today that the war was based on legality that was far from satisfactory, and on flawed intelligence. It resulted in
the deaths of 179 British service personnel and more than 100,000 innocent men, women and children, the displacement of more than 1 million people, and greater instability in the region. We can never again have a situation where we go blindly into a war that results in the deaths of thousands of innocent men, women and children. What measures will the Prime Minister immediately put in place, given the lessons we have learned from Chilcot?

The Prime Minister: We are going to study the report very carefully to see what other lessons can be learned, but some of the early lessons are about processes, procedures, legal advice, national security councils and the use of intelligence information. A lot of those have been learned, but as I have said there are still more things to be discovered, and I commit to making sure that we learn those lessons.

Stuart Blair Donaldson (West Aberdeenshire and Kincardine) (SNP): At 24 years old, I am the second youngest Member of this House. Many of the 179 service personnel who were killed in Iraq were under the age of 24, including 14 women and women who were 19 or under. I commend their bravery and their sacrifice. What specific assurances can the Prime Minister give to the families of those brave young men and women that the disastrous decisions that led to their deaths will not be repeated and that those who made those decisions will be held to account?

The Prime Minister: First, I thank those families for the service and the sacrifice of their children. We should genuinely praise the work that everyone in our armed forces did. We have to separate some of the decision making, the lessons learned and the problems from the military action. These people were serving their country in a cause that had been sanctioned by this House of Commons, so we should not in any way denigrate their memory, because they were doing what they believed in, which was serving their country. The most important thing we can do for all their memories is to digest the report, learn the lessons and put in place better decision-making procedures for the future.

Lisa Nandy (Wigan) (Lab): It has been 13 years since Robin Cook returned to the Back Benches to campaign for a world order governed by rules. The worst possible tribute that this House could pay to him or, more importantly, to the very many servicemen and women and Iraqis killed and injured in this conflict would be to draw the wrong conclusions or, worse, to learn no lessons at all. As the Prime Minister prepares for his own departure to the Back Benches, what advice will he give to his successor to ensure that we restore to Britain a foreign policy with an ethical dimension?

The Prime Minister: I think that our foreign policy should always have an ethical dimension and always has. The advice I would give to my successor is to build on the processes and procedures that we have put in place, so that we better handle intelligence information and legal advice, better discuss and debate these things in the National Security Council, and listen to expert opinion in the proper way. The worst lesson to learn would be to say that, because these things are difficult, we should withdraw from the world, fail to intervene when it is in our interests to do so and retreat in the way that I have set out. That would be the wrong thing to do, and I do not think it is what Robin Cook would have wanted.

Owen Thompson (Midlothian) (SNP): My constituent Ben Shaw is a veteran of the Iraq conflict, in which he was blinded. He will never be able to see his family again. Ben has been eagerly awaiting the publication of the Chilcot report, but he is concerned that the lessons will not be learned and that it might be brushed under the carpet. Will the Prime Minister give assurances to Ben as to what actions will be taken, including ensuring that veterans like him will be able to access the full report?

The Prime Minister: First, through the hon. Gentleman, may I thank Ben for his service to our country and for everything that he did? We must continue to help him throughout his life. Ministry of Defence Ministers have offered meetings with veterans, and they are going ahead. The assurance I can give is that I think we have already learned a lot of very important lessons. Whitehall is a very different place and the way in which decisions are taken is different, as is the use of legal advice. Do not underestimate the extent to which Whitehall has already taken on board so many of the lessons and changed its practices and culture. Clearly, there will be more to do, and that is why we should study the report and have a two-day debate.

Greg Mulholland (Leeds North West) (LD): I pay tribute to the 179 brave servicemen and women who lost their lives, including Corporal Matthew Cornish from Otley, whose loss is still felt today in Otley and Pool-in-Wharfedale.

We have heard the Prime Minister make some powerful and courageous statements, including on Hillsborough and Bloody Sunday, but I have to say to him, in response to his last major statement in his role, that today we have heard equivocation and we have not had the acceptance that this country needs and demands. There will be dismay, frankly, at some of today’s contributions, which have sought, even now, to suggest that this was not a terrible mistake. Surely the first rule in politics is to accept when you have done something wrong. A Prime Minister, a Government and a Parliament should be prepared to accept a mistake, and if this House does not accept that the invasion of Iraq was a disastrous mistake, we have learned nothing whatsoever.

The Prime Minister: I have tried to be careful today to recognise that this was the act of a previous Government, and it is for them principally to explain why they took the decisions they did. I have also tried to be careful because this is not my report; it is Sir John Chilcot’s report, and the first thing we have to do is to read it carefully and to take into account what it finds. I have tried very faithfully in my statement to reflect what he says and the way he says it, with all the nuances, rather than simply to rip out some punchy bits that either damn or praise the then Government, because I do not think that is my responsibility. My responsibility is to handle the publication, to draw out the lessons, which I think I have done, and to let others who were responsible at the time account for themselves.
Diana Johnson (Kingston upon Hull North) (Lab): On a practical level, the report sets out that it is very difficult for intelligence to be assessed by Members of Parliament. Currently, intelligence is shared with the Intelligence and Security Committee only after the event; it is not shared during current operations. Two years ago, when the ISC was being reformed, the Opposition tabled an amendment to allow, in exceptional circumstances, intelligence to be shared with the ISC for current engagements and situations. In the light of today’s report, does the Prime Minister think it would be worth revisiting that suggestion and giving the ISC the opportunity to have access to intelligence in exceptional circumstances such as this country being on the brink of war?

The Prime Minister: What the hon. Lady is asking for is quite difficult. The process should be that Ministers take action on the advice of officials and on the advice of intelligence that is carefully corralled by the Joint Intelligence Committee. Then we have to account to Parliament for the decisions that we take. On occasion, it would be right for the Joint Intelligence Committee or the Government to put some of that intelligence in front of Parliament, as I think we did in the cases of Libya and Syria. By its very nature, the idea of sharing secret intelligence on a much wider basis will be very difficult, and I do not want to promise to do that. The ISC is there to scrutinise decisions that have been taken, rather than pre-emptively to review a decision that is about to be taken, so we do need to get our ducks in a row. If we try to muddle that, we will get ourselves into a muddle.

Chris Stephens (Glasgow South West) (SNP): My thoughts today are with Mrs Rose Gentle whose son Gordon was killed in Iraq at 18 years of age. There was a campaign for this inquiry and it has waited a long time for it to report. The Prime Minister said in his statement that sending “our brave troops on to the battlefield without the right equipment was unacceptable.”

I agree with that, but, as the last Member to be called in this debate, may I join other hon. Members and ask the Prime Minister to reflect further? Does he not appreciate that the state should apologise to those military families for their sons and daughters being sent into a war without the correct equipment, and will he take this opportunity to apologise to those military families?

The Prime Minister: The hon. Gentleman is absolutely right that providing the correct military equipment is an absolute obligation on Government, and huge steps have been taken in the past few years to make that happen. On the responsibility for apologies and all the rest of it, the people who were in Government who took these decisions are still alive and able to answer the criticisms in the report. This is slightly different from the situation over, for instance, Bloody Sunday or Hillsborough. This report is about a set of Government decisions that were taken, and the people responsible are still around. It is very easy for a Prime Minister to stand up and make an apology and all the rest of it, but it is not appropriate for me to do so today, because the people who made these decisions are still around. That is why I have chosen to speak in the way that I have.

Mr Speaker: I thank the Prime Minister and all colleagues who have taken part in these exchanges.
Junior Doctors Contract

2.42 pm

**The Secretary of State for Health (Mr Jeremy Hunt):**

In May, the Government and NHS employers reached an historic agreement with the British Medical Association on the new contract for junior doctors after more than three years of negotiations and several days of damaging strike action. That agreement was strongly endorsed as a good deal for junior doctors by the leader of the BMA's junior doctors committee, Dr Johann Malawana, and was supported publicly by the vast majority of medical royal colleges. However, it was rejected yesterday in a ratification ballot: 58% voted against the contract, so, on the basis of a 68% turnout, around a third of serving junior doctors actively voted against the agreement.

It is worth outlining key elements of the agreement that was voted on. The agreement does indeed help the Government to deliver their seven-day NHS manifesto commitment, but it also does much more. It reduces the maximum hours junior doctors can be asked to work, introduces a new post in every trust to make sure the hours asked of junior doctors are safe, makes rostering more child and family-friendly, and helps women who take maternity leave to catch up with their peers. The president of the Royal College of Physicians, who had opposed our previous proposals, stated publicly:

“If I were a trainee doctor now, I would vote ‘yes’ in the junior doctor referendum.”

Unfortunately, because of the vote, we are now left in a no-man’s land, which, if it continues, can only damage the NHS.

An elected Government whose main aim is to improve the safety and quality of care for patients have come up against a union that has stirred up anger among its own members that it is now unable to pacify. I was not a fan of the tactics used by the BMA, but, to its credit, its leader, Johann Malawana, did, in the end, negotiate a deal and work hard to get support for it. Now that he has resigned, it is not clear whether anyone can deliver the support of BMA members for any negotiated settlement.

Protracted uncertainty precisely when we grapple with the enormous consequences of leaving the EU can only be damaging for those working in the NHS and for the patients who depend on it. Last night, Professor Dame Sue Bailey, president of the Academy of Medical Royal Colleges, said that the NHS and junior doctors are some of the hardest working staff in the NHS, working some of the longest and most unsocial hours, including many weekends. They have many concerns, for example, about rota gaps and rostering practices. In the May ACAS agreement, NHS employers agreed to work with the BMA to monitor the implementation of the contract and improve rostering practice for junior doctors. Last month, at the NHS Confederation's annual conference, I set out my expectation that all hospitals should invest in modern e-rostering systems by the end of next year as part of their efforts to improve the way that they deploy staff. I hope that the BMA will continue to participate in discussions about all these areas.

Furthermore, this decision is not a rejection of the concerns of foundation year doctors who often feel most disconnected in that period of their training before they have chosen a specialty. Again, we will continue to make progress in addressing those concerns under the leadership of Sheona MacLeod at Health Education England, and we will continue to invite the BMA to attend those meetings.

We will also continue with a separate process to look at how we can improve the working lives of junior doctors more broadly, which will be led by the Under-Secretary of State for Health, my hon. Friend the Member for Ipswich (Ben Gummer). I very much hope that the BMA will continue to participate in that process as well.

We will not let up on efforts to eliminate the gender pay gap. Today, I can announce that I will commission an independent report on how to reduce and eliminate that gap in the medical profession. I will announce shortly who will be leading that important piece of work, which I hope to have initial considerations from in September.

Most importantly, this is not a decision to stop any further talks. I welcome Dr Ellen McCourt to her position as new interim leader of the junior doctors committee. I had constructive talks with her during the negotiations. Although we do need to proceed with the implementation of the new contract to end uncertainty, my door remains open to her or whoever takes over her post substantively in September. I am willing to discuss how the new contract is implemented, extra-contractual issues such as training and rostering, and the contents of future contracts.

surgical trainees, will transition in the same way to the new contract between February and April next year, with remaining trainees by October 2017.

This is a difficult decision to make. Many people will call on me to return to negotiations with the BMA, and I say to them: we have been talking, or trying to talk, for well over three years. There is no consensus around a new contract and, after yesterday’s vote, it is not clear whether any further discussions could create one. However, the agreement negotiated in May is better for junior doctors and better for the NHS than the original contract that we planned to introduce in March. Rather than try to wind the clock back to the March contract, we will not change any of the new terms agreed with the BMA.

It is also important to note that, even though we are proceeding without consensus, this decision is not a rejection of the legitimate concerns of many junior doctors about their working conditions. Junior doctors are some of the hardest working staff in the NHS, working some of the longest and most unsocial hours, including many weekends. They have many concerns, for example, about rota gaps and rostering practices. In the May ACAS agreement, NHS employers agreed to work with the BMA to monitor the implementation of the contract and improve rostering practice for junior doctors. Last month, at the NHS Confederation's annual conference, I set out my expectation that all hospitals should invest in modern e-rostering systems by the end of next year as part of their efforts to improve the way that they deploy staff. I hope that the BMA will continue to participate in discussions about all these areas.

Furthermore, this decision is not a rejection of the concerns of foundation year doctors who often feel most disconnected in that period of their training before they have chosen a specialty. Again, we will continue to make progress in addressing those concerns under the leadership of Sheona MacLeod at Health Education England, and we will continue to invite the BMA to attend those meetings.

We will also continue with a separate process to look at how we can improve the working lives of junior doctors more broadly, which will be led by the Under-Secretary of State for Health, my hon. Friend the Member for Ipswich (Ben Gummer). I very much hope that the BMA will continue to participate in that process as well.

We will not let up on efforts to eliminate the gender pay gap. Today, I can announce that I will commission an independent report on how to reduce and eliminate that gap in the medical profession. I will announce shortly who will be leading that important piece of work, which I hope to have initial considerations from in September.

Most importantly, this is not a decision to stop any further talks. I welcome Dr Ellen McCourt to her position as new interim leader of the junior doctors committee. I had constructive talks with her during the negotiations. Although we do need to proceed with the implementation of the new contract to end uncertainty, my door remains open to her or whoever takes over her post substantively in September. I am willing to discuss how the new contract is implemented, extra-contractual issues such as training and rostering, and the contents of future contracts.
To me personally and to everyone in this House as well as many others, it is a matter of profound regret that, at a time of so many other challenges, the BMA was unable to secure majority support for the deal that it agreed with the Government and NHS employers, but we are where we are.

I believe the course of action outlined in this statement is the best way to help the NHS to move on from this long-running contractual dispute and to focus our efforts on providing the safest, highest-quality care for patients. I commend the statement to the House.

2.50 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): The NHS is only as strong as the morale of its staff, and the rejection of this contract by the junior doctors sadly reveals that morale and trust in the Government are at rock bottom. Yesterday, to mark the 68th anniversary of the NHS, I visited my local hospital, Homerton University hospital, and met some of the wonderful nurses. One of their main concerns was the abolition of the bursary, but they were also genuinely worried that NHS staff were no longer valued. The Secretary of State must accept that his handling of the junior doctor dispute has exacerbated this feeling among all NHS staff.

I have sat in this Chamber and heard the Secretary of State say that junior doctors have not read the new contract, do not understand the new contract, or have been bamboozled by their leadership, but now that the junior doctors have rejected a renegotiated contract recommended by their leadership, he must begin to understand that his handling of this dispute has contributed to the impasse. There should be no suggestion that the junior doctors’ decision is somehow illegitimate. The turnout in the ballot was higher than in the general election in 2015.

I welcome the fact that the Secretary of State will not let up on efforts to eliminate the gender pay gap and that he will commission an independent report on how to reduce and eliminate that gap, and look at shared parental leave as well. That is an important concern among doctors. I also welcome the fact that the imposition of the contract will be phased, but at this time of general instability I urge the Government to reconsider imposing the contract at all.

It has not helped for the Government to treat junior doctors as the enemy within. It has not helped junior doctors’ morale that it was implied at one time that the only barrier to a seven-day NHS was their reluctance to work at weekends, when so many of them already work unsocial hours, sacrificing family life in the process. I am glad that the Secretary of State acknowledged today that junior doctors are some of the hardest working staff in the NHS, working some of the longest and most unsocial hours, including many weekends, but the vote to reject the contract is a rejection of the Government’s previous approach.

The Secretary of State knows that the BMA remains opposed to the imposition of any contract, believing that imposing a contract that has not been agreed is inherently unfair and an indictment of the Secretary of State’s handling of the situation. The junior doctors committee is meeting today to decide how it will proceed. Labour Members look forward to hearing the outcome of that meeting and how we can best continue to support the junior doctors.

Public opinion is not on the Government’s side. It is evident that the public will have faith in their doctors long after they have lost faith in this or any other Government. It is not too late to change course. The Government need urgently to address the recruitment and retention crisis and scrap the contract. Although I appreciate that the contract has been in negotiation for many years, the Government should give talks with the junior doctors one more chance. If they crush the morale of NHS staff, they crush the efficacy of the NHS itself.

Mr Hunt: I welcome the hon. Lady to her place for the first statement to which she has responded and welcome her on the whole measured tone, with one or two exceptions. I will reply directly to the points she made.

First, the hon. Lady maintains the view expressed by her predecessor, the hon. Member for Lewisham East (Heidi Alexander), who is in her place this afternoon, that somehow the Government’s handling of the dispute is to blame. We have heard that narrative a lot in the past year, but I say with the greatest of respect for the hon. Member for Hackney North and Stoke Newington (Ms Abbott)—I do understand that she is new to the post—that that narrative has been comprehensively disproved by the leaked WhatsApp messages that were exchanged between members of the junior doctors committee earlier this year.

We now know that, precisely when the official Opposition were saying that the Government were being intransigent, the BMA had no interest in doing a deal. In February, at the ACAS talks, the junior doctors’ aim was simply to “play the political game of…looking reasonable”—their words, not ours. We also know that they wanted to provoke the Government into imposing a contract, as part of a plan to “tie the Department of Health up in knots for…months”.

In contrast to public claims that the dispute was about patient safety, we know that, in their own words, “the only real red line” was pay. With the benefit of that knowledge, the hon. Lady should be careful about maintaining that the Government have not wanted to try to find a solution. We have had more than 70 meetings in the past year and we have been trying to find a solution for more than four years.

The question then arises whether we should negotiate or proceed with the introduction of the new contracts. Let me say plainly and directly that if I believed negotiations would work, that is exactly what I would do. The reason I do not think they will work is that it has become clear that many of the issues upsetting junior doctors are in fact nothing to do with the contract. Let me quote a statement posted this morning by one of the junior doctors’ leaders and a fierce opponent of the Government, Dr Reena Aggarwal:

“I am no apologist for the Government but I do believe that many of the issues that are exercising junior doctors are extra-contractual. This contract was never intended to solve every
complaint and unhappiness, and I am not sure any single agreement would have achieved universal accord with the junior doctor body.”

The Government’s biggest opponents—in a way, the biggest firebrands in the BMA—supported the deal and were telling their members that it was a good deal, which got rid of some of the unfairnesses in the current contract and was better for women and so on. If the junior doctors are not prepared to believe even them, there is no way we will be able to achieve consensus.

If the hon. Lady wants to stand up and say that we should scrap the contract, she will be saying that we should not proceed with a deal that reduces the maximum hours a junior doctor can be asked to work, introduces safeguards to make sure that rostering is safe and boosts opportunities for women, disabled people and doctors with caring responsibilities—a deal that was supported by nearly every royal college. If the alternative from Labour is to do nothing, we would be passing on the opportunity to make real improvements that will make a real difference to the working lives of junior doctors.

The hon. Lady and I have a couple of the more challenging jobs that anyone can do in this Chamber. She has been in the House for much longer than I have, so she will know that. The litmus test in all the difficult decisions we face is whether we do the right thing for patients and for our vulnerable constituents, who desperately need a seven-day service. The Government are determined to make sure that happens.

**Dr Sarah Wollaston (Totnes) (Con):** I welcome today’s statement and thank the Secretary of State for dealing with many of the extra-contractual issues that have blighted the lives of junior doctors. I join him in regretting the outcome of the ballot. Like my right hon. Friend, I welcome Doctor Ellen McCourt to her post. I know that my right hon. Friend will work constructively with the junior doctors committee to try to resolve the outstanding issues. In proceeding in a careful, measured way with the imposition of the contract, will he work to reassure the public that if patient safety issues arise during that process, he will deal with them?

**Mr Hunt:** I thank my hon. Friend for her measured tone and for being an independent voice throughout the dispute. I spoke to Dr Ellen McCourt earlier this afternoon. I appreciate that she is in a very difficult situation, but I wanted to stress to her that, as I told the House this afternoon, my door remains open for talks about absolutely anything and that I am keen to find a way forward through dialogue. I had lots of discussions with Dr McCourt when we were negotiating the agreement in May, and I know that she approached those negotiations in a positive spirit.

We have set in place processes, and that is one of the reasons why Professor Bailey recommended phased implementation—so that if there are any safety concerns, we can address them as we go along. The Minister with responsibility for care quality, my hon. Friend the Member for Ipswich, is leading a process that will look in detail at how the contract is implemented. Absolutely, the point of the changes is to make care safer for patients; we will continue to keep an eye on this to make sure that it does so.

**Dr Philippa Whitford (Central Ayrshire) (SNP):** I, too, am disappointed by the outcome of the ballot yesterday. It has to be recognised that it reflects a real desperation and unhappiness among junior doctors, who are dealing with increased demand and pressure. They have felt that, at times, the tone of the negotiations has left a lot to be desired. The threat of imposition was there from the start, and they felt that hanging over them.

I welcome several things in the statement, and I absolutely welcome its very measured tone. I welcome the attempt to tackle the gender pay gap, to deal with unhappy foundationers and to limit hours. I would say that junior doctors’ biggest concern is rota gaps. In some specialties, the rate is as high as one in four, so one doctor covers the role of two. That is a real patient safety issue, and patient safety is meant to be the whole point of the contract. I welcome the fact that the contract will be phased in, and I call on the Secretary of State to ensure absolutely that, as this goes forward, he will learn, because junior doctors’ concern is about how we spread a short-staffed workforce across more days. I called for the contract to be phased in through a trial, and it is being phased in, but in a different way. We need to recognise the pain that the vote represents.

**Mr Hunt:** I thank the hon. Lady for her constructive comments, which are born of her NHS experience. She is right: we are phasing in the contract carefully to make sure that we learn lessons. She is absolutely right to talk about rota gaps. Unfortunately, the problem of rota gaps cannot be solved at a stroke on signing a contract; it has to do with making sure that we have a big enough supply of doctors in the NHS to fill those rota gaps. We now have much greater transparency about the safety levels that are appropriate in different hospitals; that is one of the lessons that we learned post Mid Staffs. We are investing more in the NHS in this Parliament. We recruited an extra 9,300 doctors in the last Parliament and we are increasing our investment in the NHS in this Parliament, so that we can continue to boost the doctor workforce in the NHS. In the long run, that is how we will deal with the rota gap issue; but unfortunately, that cannot be done overnight.

**Mr Kenneth Clarke (Rushcliffe) (Con):** I congratulate the Secretary of State on taking the only responsible decision that he could take, in the interests of the service and patients, to bring this sad, extraordinarily long episode to an end. I also congratulate him on being conciliatory, because he made concessions in May to produce the final contract, and now he is phasing it in, in its negotiated form. I hope that we get back to a peaceful settlement. Does he agree that the surprising fact that so many dedicated junior doctors were prepared to take industrial action over rather ill-defined problems with the contract shows that there is a problem with morale in the service? Will he give an undertaking that the very welcome steps that he has announced today to try to address the wider issues will last not just a few months, until the dust settles on this dispute, but will be part of a continuous process to make sure that we restore to the service the morale and dedication on which we all know the NHS relies?

**Mr Hunt:** As ever, my right hon. and learned Friend speaks with great wisdom and experience. He is absolutely right to say that tackling the morale deficit in the NHS
has to be a key priority. That is why we have to recognise that for doctors—particularly junior doctors starting out on their medical careers—the most depressing and dispiriting thing of all is when they cannot give the patients in front of them the care that they want to. That is why we are looking at a number of things to make it easier for doctors to improve the quality of care. One of the things that is particularly challenging and that we in this House have to think about and discuss a lot more is how difficult doctors and nurses find it to speak out if they see poor care, or if they or a colleague make a mistake, because they are frightened of litigation, a General Medical Council referral, or disciplinary action by their trust. The problem is that people then do not go through the learning processes necessary to prevent those mistakes from happening again. The key is creating a supportive environment, in which learning can really happen, in hospitals.

Heidi Alexander (Lewisham East) (Lab): If I believed that the benefits for patients of pushing ahead with this contract outweighed the impact that its imposition will have on junior doctor morale, recruitment and retention, I would support the Health Secretary, but I do not believe that. Can he tell the House which clause of which Act of Parliament gives him the power to force hospitals to introduce the contract? If he cannot tell us that, can he outline the legislative basis on which Health Education England could withhold funding from trusts that choose not to proceed with it?

Mr Hunt: Health Education England is absolutely clear that it has to run national training programmes, and that is why it has to have standard contracts across the country. As the hon. Lady knows well from her previous role on the Front Bench, in reality foundation trusts have the legal right to set their own terms and conditions, but they currently follow a national contract; that is their choice, but because they do that, I used the phrase “introduction of a new contract” this afternoon. I expect, on the basis of current practice, that the contract will be adopted throughout the NHS.

I enjoyed working with the hon. Lady when she was shadow Health Secretary, but on this issue, she was quite wrong, because she saw the WhatsApp leaks, which revealed that the British Medical Association had no willingness or desire for a negotiated settlement in February, precisely when she was saying at the Dispatch Box that I was the one being intransigent. She gave a running commentary on the dispute at every stage, but when those leaks happened, she said absolutely nothing. She should set the record straight and apologise to the House for getting the issue totally wrong.

Dr Andrew Murrison (South West Wiltshire) (Con): I congratulate my right hon. Friend on the patience that he has shown on this matter, and on the deal that was agreed back in May—it is a good deal. Apropos of the remarks of the hon. Member for Hackney North and Stoke Newington (Ms Abbott), who speaks for the Opposition, does the Secretary of State agree that it is indeed important to maintain morale in the health service? We need to be very careful about striking special deals for one particular part of the workforce, and the perception that that might be unfair. Would he further agree that we need to avoid the temptation of addressing every single grievance of a particular workforce? That is more properly within the bailiwick of managers locally than national contracts.

Mr Hunt: My hon. Friend obviously speaks from experience and very sensibly on this issue. In this House, of course, we think about the actions of politicians, Ministers and so on, but for doctors in a hospital, the most important component of their morale is the way that they are treated by their direct line manager. One of the things that worries me most in the NHS, looking at the staff survey, is that 19% of NHS staff talk about being bullied in the last year. That is ridiculously high. We need to think about why that is. The reality is that it is very tough on the frontline at the moment. There are a lot of people walking through the front doors of our NHS organisations, and we need to do everything that we can to try to support doctors and nurses, who are doing a very challenging job.

Paula Sherriff (Dewsbury) (Lab): Instead of blaming the BMA, will the Secretary of State acknowledge that yesterday’s result was indicative of the fact that a significant proportion of medical staff have lost confidence in him? More than ever, running the NHS requires the good will of its staff. How does he intend to restore that confidence?

Mr Hunt: Actually, in my statement I took the trouble to praise BMA leaders. Admittedly, at the outset I did not agree with their tactics at all, but they did then have the courage to negotiate a deal and try really hard to get their members to accept it. I respect them for doing that. Part of the problem was that in the early stages of the dispute, there was a lot of misinformation going around. There were a lot of doctors who thought, for example, that their salary was going to be cut by about a third. That was never on the table and never the Government’s intention. A lot of doctors thought that they were going to be asked to work longer hours. That, too, was the opposite of what we wanted to do. I am afraid that that created a very bitter atmosphere. I simply say that, in the end, the best way to restore morale is to support doctors in giving better care to their patients, and that is what the NHS transformation plan is all about and what we are working on.

Sir Peter Bottomley (Worthing West) (Con): Around 10 years ago the mishandled introduction of MMC—modernising medical careers—and the medical training application service started some of the problems for junior doctors. I pay tribute to the BMA who, in the discussions up to May, helped to agree with NHS England employers changes to the proposed contract, which were to the benefit of doctors in training? I say to the Secretary of State and, through him, to the employers that I hope they will pay attention to the extra-contractual issues which are of concern to doctors, and that the BMA will catch up with the rest of us in saying that we rely on them and others in hospitals to give a good, safe service to patients. They need to work together with everybody else and we will support them in doing that.

Mr Hunt: I am absolutely prepared to give that assurance and I thank my hon. Friend for his comments. He is right. We can look at MTAS and such changes.
We can go even further back and look at the introduction of the European working time directive—strange to bring that up in the current context—and the shift system, which sensibly reduced some of the crazy hours that junior doctors were being asked to work, but unfortunately at the same time got rid of the “old firm” system which gave junior doctors a sense of collegiality.

Diana Johnson (Kingston upon Hull North) (Lab): With morale among junior doctors at rock bottom, and Hull having an historic problem with recruitment and retention, what particular initiatives is the Secretary of State going to use to allow the health service in Hull to have the number of doctors that we need to function properly and provide the high-quality care that we all want to see?

Mr Hunt: There is one very good doctor in the Hull A&E department, and that is Dr Ellen McCourt, who has taken over as leader of the junior doctors committee—at least, I imagine she is very good; I have been very impressed every time I have met her. There are particular pressures at Hull, and as the hon. Lady knows we have had management changes. So far we have not seen the improvement in performance that we would like. I am aware that there are big issues with the infrastructure—the physical buildings. We will continue to work with the NHS locally and with the trust to try to improve the situation. She is right to bring it to my attention.

Sir Oliver Heald (North East Hertfordshire) (Con): I join my right hon. Friend in expressing sadness at the decision of the vote. He will remember that on previous occasions I have raised with him some family-friendly aspects of the lives of junior doctors. Does he agree that it is important to look at the training situation, where a couple can be sent to different towns many miles apart; the rostering, which can make family life difficult; and some of the problems of returners to work, whose training perhaps needs to be properly considered? Will he confirm that he will continue to look at these issues and that, as the monitoring and phasing goes ahead, he will try to address them?

Mr Hunt: My hon. and learned Friend is correct to have raised that before and I can reassure him that we have subsequently started a very big piece of work to look at those exact issues. The difficulty is that throughout their training junior doctors are rotated every six months. That is particularly disruptive to family life or, for example, if they have a partner and one is sent to Sheffield and the other to Bristol. We are seeing what we can do to deal with that. The other issue that we are looking at is that of people who for family reasons discover that they have a caring responsibility, maybe for children or for a parent with dementia, and want to switch to a specialty that may not have quite so many unsocial hours, and whether it is possible to novate their training across from one specialty to another, which does not happen at present.

Liz McInnes (Heywood and Middleton) (Lab): We are all congratulating each other on the measured tone of this debate, but Dr Johann Malawana has said in very measured tones:

“Given the result, both sides must look again at the proposals and there should be no transition to a new contract until further talks take place.”

Will the Health Secretary commit to hold further talks in order to avoid further conflict and the possibility that he may provoke further strike action if he does not? If he provokes further industrial action among the junior doctors, the blame will lie fairly and squarely at his open door.

Mr Hunt: Let me tell the hon. Lady the words that Dr Malawana actually said:

“I will happily state that I think this is a good deal.”

He talked about junior doctors benefiting from “massively strengthened areas of safety precautions…equalities improvements, improvements to whistleblowing protection and appropriate pay for unsocial hours.”

He thought this deal was a big step forward. As I said, if I thought that there was any prospect of further negotiations leading to a consensus that could get the support of the BMA membership, that is what I would be doing, but my honest assessment of the situation—given that the people who most strongly opposed the Government recommended accepting this deal and still they were not listened to—is that there is no such prospect, and I therefore need to take the difficult decision that I have taken this afternoon.

Helen Whately (Faversham and Mid Kent) (Con): There has been a negotiation, the Secretary of State has listened to the concerns of junior doctors, we now have a better contract, and we heard today that there will be a phased introduction of it. Does my right hon. Friend agree that junior doctors now need to move forward and that they should take up the offer to be involved in work to improve the experience of junior doctors in training? We know that junior doctors do not feel valued. They should feel valued. They need to play their part in making sure that they are valued.

Mr Hunt: My hon. Friend is right to say that. One of the things that is clear to me is that the reason that the May deal is better than the deal that we were going to introduce in February is because of the involvement of the BMA and the BMA leaders in telling us the concerns of junior doctors at the coalface, and the specific niggles and annoyances, many of which we were able to sort out very straightforwardly. I strongly hope that junior doctors will remain in all the discussions that we have, so that we try to get even better solutions.

Steve Rotheram (Liverpool, Walton) (Lab): At the start of his statement, the Secretary of State used sophistry to try to call into question the result of the ballot, by implying that 58% did not provide legitimacy for the rejection of the Government contract offer. Does he regret using smoke and mirrors, and does he agree that if his flawed methodology were used for
other electoral processes, he would not be sitting in this House, there would not be a Tory Government, and we would still be in the EU?

Mr Hunt: The hon. Gentleman has misinterpreted what I said. I am clear on this. I said in my statement that 58% voted against the contract, and I accept that that was a majority of BMA members. I stated the fact that on a 68% turnout, around a third of serving junior doctors actively voted against the contract. That is factually correct.

Maggie Throup (Erewash) (Con): I thank my right hon. Friend for all his efforts in agreeing a deal that was acceptable to the junior doctors’ leaders. In effect, the junior doctors have now voted against their own trade union. I welcome the way forward that the Secretary of State has outlined, but will he reassure the House that patients and their safety will always be his No. 1 priority?

Mr Hunt: I am happy to give that assurance. One of the most exciting things in the NHS, despite a lot of the doom and gloom in the headlines, is that we are seeing a transformation in safety culture. Even though we are now doing about 4,500 more operations every day, the proportion of patients being harmed is down by about a third in just three years. I think there is a transformation, but of course there is a lot more to do, as I am no doubt going to hear.

Andrea Jenkyns (Morley and Outwood) (Con): I am shocked that we are here yet again. If we look at the history, 90% of the contract has been renegotiated. There have been years of negotiations. This contract is far safer for patients. Regardless of what the Opposition say, it cannot be laid at the Secretary of State’s door if the junior doctors decide to take strike action. We should stop using patients as pawns and put patients first. I would like to thank the Secretary of State for his perseverance. Does he agree that, through its relentless pursuit of partisan politics, the BMA has backed itself into a corner and put patients at risk?

Mr Hunt: The way patients have suffered—there have been over 20,000 cancelled operations during this process—has been very disappointing. My hon. Friend is absolutely right to campaign on issues of hygiene and cleanliness, which lead to so many tragedies when they are not properly attended to. I hope they take seriously my assurances this afternoon that we will be monitoring every stage of the implementation of this contract, and if there are further things that we can improve, we will do exactly that, because we want a contract that is good for them and good for patients.

Robert Jenrick (Newark) (Con): Weeks like the ones we have just lived through put other matters into perspective. With that in mind, I am sure the Secretary of State will agree with me that it is absolutely right for patients and the country that this dispute ends now. I was delighted to hear that he is now reluctantly going to move to phase in the imposition of the contract. Will he, in his usual conciliatory manner, now turn a page on this dispute, end it completely and build a new relationship with junior doctors and the new interim head of the BMA’s junior doctors committee?

Mr Hunt: My hon. Friend speaks very wisely. I would certainly very much like to do that. It does take two to tango, but the Government certainly want to do everything they can to work with all the leaders of the different bodies in the medical profession, partly for the reason my hon. Friend gave—that the country is very preoccupied with even bigger issues—but partly because there is so much pressure on the NHS frontline, and it is just counterproductive to exhaust so much energy on these disputes when we could talk our way around them and avoid them.

Mrs Flick Drummond (Portsmouth South) (Con): I am always last, but I am very grateful for being asked to speak. Does the Secretary of State have any indication of how many junior doctors actually read the contract, rather than relying on the BMA or rumours? The junior doctors I have talked to have not read it, and one said it was too long.

Mr Hunt: I thank my hon. Friend for her interest—it is last but not least, for sure, in her case. Many junior doctors are now aware of the bones of the contract. I am sure some of them have not read it, just as others have. However, I think the issue has been that a lot of them have read it and have felt that it does not answer every single problem they face today as a junior doctor. Unfortunately, there is no contract that can solve every single pressure they face at the stroke of a pen, and I suspect that that is why a number of them voted to reject the contract. What I would say to them is that we have a contract that is an improvement on what they had before, so let us go with that and try to address the other issues as best and as quickly as we can.
Points of Order

3.24 pm

Andy Slaughter (Hammersmith) (Lab): On a point of order, Madam Deputy Speaker. On 9 May, I was granted an urgent question on safety in custody and violence in prisons, following a walkout by officers at Wormwood Scrubs prison in my constituency on health and safety grounds and assaults on two officers. I was assured by the Government that they took these matters very seriously, but I am told by the Prison Officers Association when I met it last week that the problems continue at Wormwood Scrubs. Today, the BBC has reported that there have been five walkouts over the past five months, three of which have been reported for the first time only today. I fully understand why the Government would not have made a statement today, given the other, pressing business, but what can you do to assist me in getting the Secretary of State or another Minister to come to the House to make a statement on this issue, which is not only very serious but now looks as if it is endemic in our prisons?

Madam Deputy Speaker (Natascha Engel): I am sure the hon. Gentleman is aware that that is not a point of order, but he has put the matter on the record, and those on the Treasury Bench will have listened. I am sure he will be here at business questions tomorrow, when he can ask the Leader of the House for a statement.

Alison Thewliss (Glasgow Central) (SNP): On a point of order, Madam Deputy Speaker. Earlier, in my question to the Prime Minister on tax credits, I specifically mentioned the two-child policy and the rape clause. I am sure he did not mean to mislead the House in his answer, but he said that the Scottish Parliament would be getting specific powers on welfare to cover those particular issues. In fact, that is not the case. The Scottish Parliament is getting only 15% of welfare powers, and the power to modify the tax credit system is not among those. I wonder, Madam Deputy Speaker, whether you could obtain an answer from the Prime Minister to put the record straight.

Madam Deputy Speaker: I thank the hon. Lady for that point of order. Again, it is not, strictly speaking, a point of order, but she has put the matter on the record. I am sure, if the Prime Minister has heard and would like to correct the record, there will be a way of doing so.

BILL PRESENTED

Terms of withdrawal from EU (Referendum) Bill

Presentation and First Reading (Standing Order No. 57)

Geraint Davies, supported by Mr David Lammy, Helen Hayes, Sir Alan Meale, Mark Durkan, Chris Davies, John Pugh, Louise Haigh and Ann Clwyd presented a Bill to require the holding of a referendum to endorse the United Kingdom and Gibraltar exit package proposed by HM Government for withdrawal from the EU, or to decide to remain a member, prior to the UK giving notice under Article 50 of the Treaty on European Union; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 21 October, and to be printed (Bill 46).
Opposition Day

[4TH ALLOTED DAY]

EU Nationals in the UK

3.26 pm

Andy Burnham (Leigh) (Lab): I beg to move.

That this House notes that there are approximately three million nationals of other EU member states living in the UK; further notes that many more UK nationals are related to nationals of other EU member states; rejects the view that these men, women and children should be used as bargaining chips in negotiations on the UK’s exit from the EU; and calls on the Government to commit with urgency to giving EU nationals currently living in the UK the right to remain.

This debate directly affects the lives of millions of people living in this country, so let me start by inviting the House to join me in sending a very clear message to the EU nationals living in the UK, which I think they need to hear right now from this Parliament: you are truly valued members of our society, and you are very welcome here.

Let us remember that the people affected are the mothers and fathers, aunts and uncles, and grandmas and grandads of British children such as mine. They are our friends and our neighbours; valued members of local communities; doctors and nurses who look after us when we are ill; teachers who educate our children; and people who run companies employing thousands of British workers. To throw any doubt over their right to remain here in the future is to undermine family life, the stability of our public services, our economy and our society.

But, sadly, that is what the Home Secretary has done. Instead of showing leadership and sending out an immediate message of reassurance in the aftermath of Brexit, she has added to the uncertainty that many people were already experiencing, and she has left them feeling like bargaining chips in the Brussels negotiations.

Keith Vaz (Leicester East) (Lab): I share my right hon. Friend’s sentiments absolutely. The problem is that the Home Secretary has made certain statements, and other members of the Government have made other statements, and it is that uncertainty that is the problem. If there was a clear statement about the intent to keep EU nationals here without any further discussion, that would help to deal with the problems we have at the moment. It is that uncertainty that has led to a lot of problems in local communities, which we heard about in the debate last night.

Andy Burnham: I could not agree more with the Chair of the Home Affairs Committee. People have been left feeling uncertain. As I will say later, that has created a hostile climate on the streets of our communities, and this is not what people are looking for in someone who seeks to lead our nation. It will not be lost on people that, for the second time in three days, the Home Secretary has failed to come to the House to clear up the confusion. I think we were entitled to hear directly from her, having called this important debate.

Stella Creasy (Walthamstow) (Lab/Co-op): Let us put some real people into this picture. In the past week alone, I have spoken to an Italian grandmother who has been here for 46 years and is devastated at the thought that she may have to return to her home country; a Dutch DJ who makes our street parties in Walthamstow swing, a Danish climate change scientist who is helping to tackle a problem that faces us all, and an Irish artist who makes beautiful but challenging sculptures for our community. At the same time, my community has faced a spike in hate crime. Today we need to send a message, do we not, that this hate crime—this division—is not orderly and has no place in our society, but these people do, and they are very welcome here.

Andy Burnham: I will come on to that point. However, I do not see why, in seeking to secure the position of British nationals overseas, we should undermine people living here, paying taxes here, and working here.

Andy Burnham: My hon. Friend makes a very important point. I have read in The Guardian the views of some health professionals talking about how they feel. An Allied Healthcare professional—not a DJ—who is Dutch said this:

“Since the referendum, I wish I had not come to the UK. Half the population does not want me here. I am tearful at times. If I had the chance I would leave now.”

It is not true: half the population does not want these people to leave, but that is obviously how they have been left to feel.

John Redwood (Wokingham) (Con): I am very grateful to the right hon. Gentleman for bringing forward this motion, and I agree that we need to offer reassurance. Does he agree that, assuming the motion passes today—because I get the distinct impression that it will not be opposed—that is a great offer of reassurance from this whole Parliament?

Andy Burnham: I hope the right hon. Gentleman is correct. I do not know what the Government’s intention is, but if we were to follow the logic of what we heard from the Immigration Minister at the Dispatch Box on Monday, they will oppose the motion. We will see. Tonight this House can remove the uncertainty from the people my hon. Friend the Member for Walthamstow (Stella Creasy) described, sending them a message that they are welcome here in our country, and that is precisely what we should do.

Andy Slaughter (Hammersmith) (Lab): Does my right hon. Friend agree that the comments that the Home Secretary has made outside the context of Brexit represent one of the most extreme statements made by any politician? They have caused fear not only among the 15% of my
constituents who are EU nationals, but the 46% of my constituents who were born outside the UK, on the basis that, “If they can say this about one group, they can say it about others.” I have had a bigger postbag on this issue than on any other issue ever. I hope that we get the result my right hon. Friend is asking for today, because this is very serious stuff.

Andy Burnham: It is an abdication of leadership for the Home Secretary not to be here to hear what my hon. Friend has said. One can only speculate that she made those comments in a bid to woo the grassroots of the Tory party. I do not know, because she is not here to contradict me. She could have done if she wanted to, but she is not here to do so. I do not know whether her comments were made with that in mind, but I do know that they have caused a lot of worry for people, as my hon. Friend says. They are in danger of making us look to the rest of the world like a very different country from the one that welcomed the world to London 2012 just four short years ago: a very different Britain from the decent, open-minded, fair country that we are perceived to be, or have been perceived to be, around the world.

Ms Karen Buck (Westminster North) (Lab): There are 36,000 EU residents living in the London borough of Westminster, and my postbag has also been flooded with correspondence on this. Does my right hon. Friend agree that it is hard to overstate how disappointed and worried many of these people are at the message that is being sent out and the lack of clarity? I hope he can reassure one constituent who wrote to me this week to say that she has lived in her “beloved London” for 14 years, educated herself, paid for herself, always worked, paid her taxes, supported local charities, and been involved with her community. She says:

“I am probably not the...immigrant everyone fears, but it doesn’t change the fact that I am an immigrant and I worry for my future.”

Andy Burnham: I find it terrible that that is how people in Britain in 2016 are thinking and feeling today as we have this debate. We should do something today to give my hon. Friend’s constituent some comfort and to send the message that she is indeed valued here.

Boris Johnson (Uxbridge and South Ruislip) (Con): I would like to put on record what I think has been said already—that countless times the Vote Leave campaign gave exactly this reassurance to everybody from EU countries living and working here, and it is very, very disappointing that that should be called into question. I think it is absolutely right to issue the strongest possible reassurance to EU nationals in this country, not just for moral or humanitarian reasons, but for very, very sound economic reasons as well. They are welcome, they are necessary, they are a vital part of our society, and I will passionately support this motion tonight.

Andy Burnham: I am pleased to hear it. Let us not rerun the arguments of the referendum campaign today, despite the fact that it has given rise to the situation that we are now in. To be fair to the hon. Gentleman, he and others did not argue that people should be sent back. The leave campaign held the very clear position during the referendum that there should be no question of EU nationals having to return.

My worry is this: why have the Government—the hon. Gentleman’s Front Benchers—muddied the waters in the aftermath of the referendum? Why are they not providing a basic reassurance to millions of people living here? I say that because it was entirely predictable that this question would arise following a potential Brexit vote. The reason they cannot give a straight answer can be found in last week’s Civil Service World, which said:

“Downing Street on Monday reiterated that the civil service had not done separate contingency work for the wider process of withdrawal—something the new team will now lead on.”

I have a simple question for the Minister: why on earth did the Government not do any contingency planning so that they were in a position to give a straight answer to the people who are now worried about their status? Yesterday, the Chancellor of the Duchy of Lancaster, who is leading this work, told the Foreign Affairs Committee that the unit set up to deal with Brexit is still only looking at “options” for the next Prime Minister to consider. That is not good enough. May I remind Conservative Members that there is still a country to be run here? This will only add to the feeling that they have abdicated their responsibility to lead the country following the referendum and have plunged us into chaos.

Catherine West (Hornsey and Wood Green) (Lab): Does my right hon. Friend agree that this level of incompetence is frightening, and that it is causing genuine distress among our constituents, and also in areas such as construction, where 49% of construction workers building new homes are European? This could lead to real dangers for the economy and industry as well.

Andy Burnham: My hon. Friend puts her point very well.

If it were only Labour Members saying this, the public might think it is partisan or point-scoring—but it is not, is it? We have just heard from somebody as senior as the hon. Member for Uxbridge and South Ruislip (Boris Johnson). Yesterday, the hon. Member for Reigate (Crispin Blunt) said that the failure to carry out any contingency planning in the event of Brexit amounted to “gross negligence” and a “dereliction of duty” on the part of the Prime Minister. He went on to say that there was not a majority in the Conservative party in support of the Home Secretary’s current position. We saw that for ourselves during the urgent question earlier this week. If there was ever a day for Parliament to do the right thing, surely it is today. I hope that Conservative Members will put their conscience and their constituents first and do the right thing.

Kate Green (Stretford and Urmston) (Lab): Although the Government may be woefully unprepared for the consequences of the referendum outcome, my right hon. Friend will be interested to hear that a number of non-governmental organisations and charities, including Citizens Advice and groups that support Roma families, are already putting plans in place to support worried EU residents. Will my right hon. Friend join me in encouraging the Minister to meet these charities as
quickly as possible so that, at the very least, he can have meaningful discussions about the need for security and certainty for the people they represent?

Andy Burnham: In the absence of the Home Secretary, somebody needs to provide some leadership, don’t they? Somebody needs to meet the community groups that are worried about the current situation. I hope that the Minister is listening to what my hon. Friend has just said, because the sheer lack of any direction at the moment is causing real difficulties on the streets of her constituency, mine and others.

Robert Jenrick (Newark) (Con): With 3,500 eastern European citizens living in my constituency, I have a huge amount of sympathy for this motion. However, with respect, the Home Secretary’s position is simply that this issue requires a degree of consideration before proceeding. What is the right hon. Gentleman’s position? Is it to give all the European citizens living in this country indefinite leave to remain tomorrow? Is it to make them British citizens? Surely this requires a degree of consideration.

Andy Burnham: That is precisely my position. Those people came here when they were legally entitled to do so and are contributing to our society. Absolutely, they should be allowed to stay. I am amazed that that is not the hon. Gentleman’s position as well.

The clearest explanation of the Government’s position came from the Minister for Immigration on Monday: “It has been suggested that the Government could now fully guarantee EU nationals...the right to stay, but that would be unwise without a parallel assurance from European Governments regarding British nationals living in their countries”...—[Official Report, 4 July 2016; Vol. 612, c. 607.]

I want to take the House through the logic of that position and what it means in practice. Effectively, the Government are saying that if, in the course of negotiations, Britain was unable to secure the rights of British nationals living abroad, it would consider sending home EU nationals in retaliation. Let me put it another way: the Government are willing to put the lives of millions of people living here in limbo, and also the lives of their dependants, to secure the position of people who have chosen to make their life elsewhere. How can that be right? I have to say to the Government that this is not good enough.

Yesterday, we had an expansion on the Government’s position from a spokesperson, who said this: “At last night’s meeting of the 1922 committee Theresa was very clear about the position of EU nationals in Britain, and argued that it was equally important to consider the rights of British nationals living abroad”.

I am all in favour of the UK Government doing all they can to secure the rights of UK nationals living in the rest of Europe, but it should not be at the expense of the security of families who are living, working and paying taxes here. The effect of this position is to prioritise British nationals living abroad at the expense of those living here, and I cannot defend that. I would argue that the best way for our Government to strengthen the position of British nationals living abroad is to make a decisive unilateral move now to secure the rights of those from other countries who are living here. Surely that would build the trust and good will that have been sorely lacking in the aftermath of the Brexit vote.

There is no reason at all why this issue needs to get mixed up in the negotiations with Europe. It was this Government’s decision to make these 3 million people an issue in the negotiations, and it is entirely within the gift of the UK Government to remove this uncertainty today and commit to changing the immigration rules. Although I understand the Minister’s argument that giving status to anyone who is already here before the UK formally leaves the UK could be an incentive for others to come here, he could easily fix that by making it clear that those with the right to stay have to have been resident in this country before 23 June, referendum day. It is very simple; a national insurance number would prove it. According to international convention, people should not have their rights retrospectively eroded. Does it not follow that people who have made a life here, which was perfectly legal for them to do, should not have the rug pulled from underneath them?

There is another more serious implication of the failure to take away the uncertainty. It will create the conditions for the climate of hostility that we have seen since the referendum to continue, and with it the potential for abuse and violence. That is not something that any Home Secretary or Home Office Minister should put his or her name to. If the Government’s formal position is that they might in due course ask people to go home, it can only give encouragement to those who wish to stir up division and hatred in our communities.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): Does the right hon. Gentleman agree that it is quite wrong for the Government to use these people as pawns either in the Brexit negotiations or in the Tory leadership contest?

Andy Burnham: I could not agree with the hon. Lady more. That is exactly how these people feel. There have been quotes in the papers from people saying that that is the feeling they have been left with. Many of those who work in our NHS, our schools and our universities can go and work elsewhere, and some of them are highly sought-after individuals. If we do not send a clear message to them, others will.

Tommy Sheppard (Edinburgh East) (SNP): I agree entirely with the thrust of the right hon. Gentleman’s argument. May I ask him to comment on one practical consideration? Many people in my constituency are deciding that they wish to apply for citizenship, as one of the options available to them, but they complain that it is very difficult. For example, my constituent Carmen Huesa, who has been here for 19 years, is a Spanish-born senior researcher at the University of Edinburgh. She has said that the application forms are very complicated; that they require information that, because she has been here for two decades, is not available any more; and that the fees are a bit of a barrier. Does the right hon. Gentleman think that while we are sorting out the mess, it would be a statement of intent from the Government if they at least committed to fast-tracking applications for British citizenship from EU citizens who have made their lives in this country, waiving the fees and putting additional support units in the UK Visas and Immigration offices to help with processing?
Andy Burnham: That would be something. If the Minister got up today and said that, perhaps these people would feel a little more valued than they do. We will have to wait to see whether anything is forthcoming. It is right for the hon. Gentleman to say that putting obstacles in people’s way and making them pay fees just increases their sense of alienation from our country. I do not believe that any Labour or Scottish National party Member wants to see that; neither, I suspect, do Conservative Members.

I was talking about the climate. There continue to be attacks, and the Metropolitan police have received three reports an hour of abuse since the referendum—a rise of more than 50%. Yesterday in Torquay, graffiti that read “EU rats go home now” was sprayed on a health centre. This is not on. The Government could do something about this. If this climate carries on, it could have serious implications for the NHS and other public services. People who voted leave—I say this while looking at the hon. Member for Uxbridge and South Ruislip—did not vote for this. They did not vote for their country to become a less welcoming, more hostile place, but in the absence of action and leadership from the Government, that is exactly what is beginning to happen. Only they can change it, and they need to do so now.

Keith Vaz rose—

Andy Burnham: I will give way a couple more times before I finish, and of course I will give way to the Chairman of the Home Affairs Committee.

Keith Vaz: I am most grateful to my right hon. Friend for giving way a second time. Does he agree that it would help the Government’s bargaining position with the other EU countries immensely if the next British Prime Minister went to Brussels for the negotiations and said that he or she had already granted the right to remain? The position of the 1.3 million British citizens would therefore be secured. That would help them; it would not hinder them, as the Home Secretary has suggested.

Andy Burnham: Of course. It is impossible to deny the simple power of what my right hon. Friend has just said. The generous, open-minded gesture of saying now would do it. The Government’s position in negotiations and strengthen the position of British nationals living abroad; it would say something very important about our country and how it has not changed after the referendum. That is why the Government should do it.

I want to end on a personal note. My wife, Marie-France, is a Dutch national, and she has been here for 26 years since we met at university. In that time, she has been a volunteer working with young people who have learning disabilities. She has been involved in our children’s schools. She has run a business and employed people. Following the death of her sister Claire a decade ago, she has raised thousands and thousands of pounds through Race for Life for Cancer Research UK. I will be honest; she cried and cried after the Brexit result was announced. Although she has paid tax here for more than 20 years, she was not able to cast a vote in that momentous decision. She has never been able to vote for me in a general election, although she often threatens that she would not vote for me if she could. As a result of Brexit, she and other EU nationals could even lose their right to vote in local elections—that is no longer guaranteed unless there is a change in the law. The old saying “No taxation without representation” does not currently apply to the 3 million EU nationals living among us. We could say that this country is already treating them as second-class citizens; they will be even worse off if we do not rectify the situation we are discussing today.

Stewart Malcolm McDonald (Glasgow South) (SNP): I can trace the alienation the right hon. Gentleman mentioned in response to my hon. Friend for Edinburgh East (Tommy Sheppard) back to the point when this House refused to give EU nationals the vote in this referendum. We gave the vote for the independence referendum in Scotland. Does the right hon. Gentleman regret that decision by the Government?

Andy Burnham: It was entirely wrong. As I said, what happened to no taxation without representation? I cannot defend a situation in which British nationals had the right to vote in the referendum even if they were living abroad but people living and paying taxes here did not. There was a basic unfairness in that, which needs to be corrected.

We have got this the wrong way around, and I sincerely hope that the Government will act soon to confirm the legal right of EU nationals to be here. Rather than dragging it out grudgingly, should we not take this opportunity to do the opposite and show them how much we value them by giving them that right to have their say at elections? We could go further, as the Institute for Public Policy Research has suggested and the hon. Member for Uxbridge and South Ruislip—did not vote for this. They did not vote for their country to become a less welcoming, more hostile place, but in the absence of action and leadership from the Government, that is exactly what is beginning to happen. Only they can change it, and they need to do so now.

Callum McCaig (Aberdeen South) (SNP): I agree very much with what the shadow Home Secretary is saying. The fact that British expats—or immigrants to other countries, as they should perhaps be known—had the right to vote in the referendum, whereas EU nationals living here did not, really underlines the crass nature of using EU nationals living here as a bargaining chip in negotiations. That is despicable and should end.

Andy Burnham: I could not agree more. As I have been outlining, the thrust of Government policy is already to treat them as second-class citizens, because they do not have the same voting rights as other citizens. If they are now to be left in the lurch for two or three years, how will they feel at the end of that process? What will they think of our country? What will the countries that they come from think of us? I do not think any of us—certainly on the Opposition Benches—want that to happen.

Those are big questions and are perhaps for another day. Today, we have a very simple decision to make. We have an opportunity to do the right thing, take away our constituents’ worries and improve the climate on the streets of our communities. It is no secret that I have a high regard for the Home Secretary, even going so far as to give her a backhanded endorsement via Twitter at
the weekend. I have seen her show leadership on difficult issues in the past, and I urge her to do so again tonight. Real leadership would be giving her MPs the chance to vote to take the uncertainty away and return a degree of stability to an uncertain and worried country. By passing the simple motion before us, we can send a simple message to those who have chosen to make their life here: we value you, and you are welcome here.

Dr Alan Whitehead (Southampton, Test) (Lab): EU citizens working in the health service are at this moment receiving abuse from patients with whom they are working, on the grounds that they should not be working in the health service and should be going home. Will my right hon. Friend invite the Health Secretary to give a very strong statement of support for all those EU citizens working in our health service, who should have the right to stay for as long as their services can be of good for this country?

Andy Burnham: My hon. Friend has raised a crucial point. I have read out some comments from health professionals that have been reported in The Guardian. I have another here, from a German GP:

“I have lived and worked here for 16 years. It feels as if 50% of the population in the UK doesn’t want me here any more. I feel as if a rug has been pulled out from under my feet.”

If people feel that they have no choice but to leave because they do not feel welcome, what will happen to our health service or to the time that people wait for a GP appointment? What would happen to the pressure on A&E, and to hospital waiting lists? Our NHS is utterly dependent on EU nationals who come to work here, and if they choose to leave, the NHS would be put at severe risk. That is why we should act. It is right for our public services and for those individuals and their families, but it is also right for us as a country to take this action tonight, so that we send a message from this Parliament to Europe and the rest of the world.

Yes, people have expressed frustrations with the EU, but our country and its people have not changed. We are still that same place that has been renowned the world over for doing the fair, right and decent thing. Amid all the chaos in our politics, let us take a step back today towards sanity and stability, and pass this motion overwhelmingly.

3.55 pm

The Minister for Immigration (James Brokenshire): The Labour party has called for a debate on the status of EU nationals, following the EU referendum less than two weeks ago and the decision by the British people to leave the European Union. I echo some of the words used by the right hon. Member for Leigh (Andy Burnham), who opened the debate by underlining that EU nationals in this country are truly valued members of our community and welcome here—I think those were the words he used, and I wish to share them at the outset of this debate.

As the motion makes clear, approximately 3 million European Union nationals currently live in Britain. There can be no doubt that in this country EU nationals make an invaluable contribution to our economy, our society and our daily lives.

Dr Eilidh Whiteford rose—

Margaret Ferrier (Rutherglen and Hamilton West) (SNP) rose—

James Brokenshire: I would like to make progress and then I will give way.

Up and down the United Kingdom, people from European Union member states are caring for the elderly, tending the sick in hospitals, teaching our children, volunteering for our charities, setting up and working in businesses and providing important local services. There are nearly 250,000 EU workers in the public sector, and, as has been said, in September 2015, 9.4% of NHS doctors and 6.3% of NHS nurses in England were from an EU country. Almost 125,000 EU students study at UK universities. More than that, everyone in the House, and people up and down the country, will hold EU nationals dear as friends, family members and members of their communities. We all recognise the contribution made to this country by EU nationals, and they should be proud of that contribution.

Several hon. Members rose—

James Brokenshire: I am spoiled for choice, but I will give way to the hon. Member for Banff and Buchan (Dr Whiteford).

Dr Eilidh Whiteford: More than 4,000 EU nationals live in my constituency and do essential jobs in our NHS and our schools. They also work in our private sector and play a critical role in our fish processing sector. The Government’s failure to offer reassurance on the future status of those EU nationals is causing not only distress but huge economic uncertainty. Will the Minister take this opportunity to guarantee that those already living and working here will have the right to stay?

James Brokenshire: I will come on to the points that the hon. Lady raises, but I recognise the contribution that so many EU citizens make to many aspects of our life and economy, as well as the issues that she highlighted such as the fishing industry in Scotland.

Mark Pritchard (The Wrekin) (Con): Do not the Government, Her Majesty’s loyal Opposition, the minority parties and particularly those listening to or reporting this debate have a responsibility at this time to realise that what we say and how we say it is vital? I welcome the fact that the Minister has not said that anybody needs to return home and that he has recognised the contribution made by EU citizens in the private and public sectors. I, for one, say that they are very welcome in Shropshire.

James Brokenshire: My hon. Friend is absolutely right to make that point about the contribution of EU nationals in his constituency. I will come on to make more points about the approach the Government are taking.

Andrew Gwynne (Denton and Reddish) (Lab): The Minister will know there has been a huge increase in hate crimes, not just against EU nationals but against other foreign nationals in the UK, mainly as a result of
the extreme views on the excesses of the political margins becoming regrettably more mainstream as a result of the fall-out from 23 June. Is not the right thing to do to secure a fair deal for British citizens in the EU. That is why the police have taken very firm action. That does not represent the country I believe in. The Government will continue to take firm action against anyone who has been involved in that sort of activity.

James Brokenshire: I will go on to talk about some of the issues in our communities, but at this stage I want to give a very unequivocal message to those who perpetae hate and division in our communities and in our societies: it is unacceptable that people should seek to cause division, to bully, to harass or to put graffiti on people's walls as a consequence of their nationality. That is why the police have taken very firm action. That does not represent the country I believe in. The Government will continue to take firm action against anyone who has been involved in that sort of activity.

Huw Merriman (Bexhill and Battle) (Con): In the week before the referendum vote, I spent time at 25 of my local schools. It was heartbreaking to hear the children saying, “Will my mum or my dad have to go back?” I never wanted this event to occur and I take it a little sorely from people on the other side of the camp who now proclaim the right to this. Will the Minister reaffirm the position of the Prime Minister and the Home Secretary, who have said there will be no immediate changes in the circumstances of European nationals currently residing in the UK? On that basis, nobody should be fearful right now.

James Brokenshire: My hon. Friend is right that there are no changes to the current situation. We remain a member state of the European Union. Therefore, those rights remain while we remain a member of the European Union.

Perhaps it will help the House if I respond very directly to the false claims that the Government in some way see EU citizens as bargaining chips. In the approach the Government take and the agreements we make, we will never treat EU citizens as pawns in some kind of cynical game of negotiation chess. That does not represent the values of this country or the values of the Government, which are to treat the people who come to this country with dignity and respect.

Catherine West: Will the Minister apologise for the Government being woefully inadequate and underprepared on this vital issue?

James Brokenshire: The Government are taking these issues into very careful consideration. I will come on to explain some of the challenges, some of the intricacies and some of the complexities that lie behind all this.

Several hon. Members rose—

James Brokenshire: If I may just make a little bit more progress, I will be generous with interventions, as I always am.

We will look to secure a fair deal for EU citizens, as we secure a fair deal for British citizens in the EU. That is the responsible approach, and that is what we will do. We want to be able to guarantee the legal status of EU nationals who are living in the UK and I am confident we will be able to do just that. We must also win the same rights for British nationals living in European countries and it will be an early objective for the Government to achieve those things together. As the Prime Minister and the Home Secretary have made clear and as I stated on Monday, there will in any event be no immediate changes in the circumstances of EU nationals in the UK. Currently, they can continue to enter and live in the UK as they have been doing.

Andy Burnham: I am struggling to follow the logic of the Minister’s position. He made a very angry statement a minute ago saying that they were not pawns, but he is saying explicitly that there is a negotiation here and that the Government will not make commitments to them until they have got commitments over there. That is precisely what they are. Why is he linking the two issues? Why does he not just say to people living here, working here and paying taxes here that they are welcome to stay, and deal with the British nationals issue another day?

James Brokenshire: As I said in response to the urgent question earlier this week, it is important to look at all these issues together. This is about ensuring that we look at these matters in this way. As I have said, I am confident that we will be able to work to secure and guarantee the legal status of EU nationals living here in conjunction with the rights of British citizens. It is important for the Government to fight for the rights of British citizens as well. I am genuinely surprised that the right hon. Gentleman is questioning that in some way. It is notable that his motion makes no reference to that at all.

It is important to put on record that those who have been continuously lawfully resident in the UK for five years qualify for permanent residence. It is an important point for those who have raised points about constituents and family members who have been in this country for a long time that those rights already exist, so they should have no fear about that. There is no current requirement for such people to apply for documentation from the Home Office to acquire this status.

Mr Robin Walker (Worcester) (Con): I am grateful for my right hon. Friend’s efforts to fight for the interests of both UK citizens in the EU and EU citizens in the UK. I asked the Prime Minister a question about investment in this country. Two of the largest inward investors in my constituency, Yamazaki Mazak and Bosch, have asked me to push for the strongest possible negotiation on behalf of EU citizens already in this country being able to stay. Many of them, alongside thousands of local people, are their employees in Worcester. I am grateful for the Minister’s assurances, but I urge him to continue to make this the absolutely first task of our negotiations.

James Brokenshire: I can certainly give my hon. Friend precisely that reassurance. The Government fully appreciate the importance of giving certainty to EU citizens when the UK exits from the European Union. Addressing this issue is a priority that we intend to deal with as soon as possible. [Interruption.] Let me finish the point.
As the Prime Minister has made clear, decisions on issues relating to the UK’s exit from the EU will need to be made by a new Prime Minister.

Crispin Blunt (Reigate) (Con): I think this is the kernel of the problem. The Minister needs to reassure EU citizens in the United Kingdom long before the moment when we leave the European Union. The problem of linking the issue of British citizens in the EU is that a deal on our leaving the EU is unlikely until we actually leave it. Getting certainty about British citizens cannot be linked to the position of EU citizens. It is wrong in principle, and we would be much better off securing their position by making a generous statement of our position now. I understand that there are legal implications about EU citizens coming to the UK from now on, and perhaps that should be the issue to focus on and support the Minister to deal with in view of our understanding of the difficulties he faces. It is the link with British citizens that is causing him all these problems.

James Brokenshire: Is important for this Government to stand up for the rights of British citizens overseas. I am surprised if my hon. Friend is in some way questioning that. It is the Government’s responsibility to fight for the rights of British citizens. As I have indicated, the Prime Minister has stated that this will be a matter for the new Prime Minister, but it will be an urgent priority for all the reasons that right hon. and hon. Members have given.

Margaret Ferrier: The Minister is generous in allowing interventions. My constituent Mrs Pearson is a Maltese national who has lived in the UK for 42 years. She has built her life in Scotland and has contributed not only economically, but socially and culturally. Does the Minister not agree that it is absolutely absurd that my 78-year-old constituent has to live in worry when the Government could sort this out now, so that she and others from Malta could have indefinite leave to remain?

James Brokenshire: I hope that the hon. Lady noted what I said earlier about the right to permanent residence for those who have been here lawfully for five years. I made that point very carefully and very firmly, as I did in response to the urgent question, because people have raised concerns about the issue. I wanted to be very specific and very clear, to give precisely the sort of reassurance that the hon. Lady’s constituent needs, and I hope that what I have said has provided that reassurance.

Jeremy Quin (Horsham) (Con): The Minister has referred to European students. I have been contacted by a constituent who is about to embark on a medical degree courses. I was intending to deal with that point later.

James Brokenshire: The Department for Business, Innovation and Skills has been actively involved in reassuring students who are about to embark on their studies. I was intending to deal with that point later.

Stella Creasy (Walthamstow) (Lab/Co-op): Will the Minister give way?

James Brokenshire: Of course I will give way to the hon. Lady. I will always be generous to her.

Stella Creasy: Is there not a cruel irony in what the Minister is saying? Many of those who fought for Britain to vote to leave the European Union did so on the basis of the concept that we would somehow retain sovereignty over our own decision making, yet at the very point when we could exercise that sovereignty—when we as a House could vote unconditionally to give the EU citizens who are currently in the United Kingdom security about their status here—the Minister is choosing to prevaricate and to link that to decisions in the European Union. If the House votes for the motion, will he not accept that it has made an unequivocal statement about the sovereignty of the UK Parliament, and will he therefore give those people the status that they deserve?

James Brokenshire: I reiterate that we will act fairly. It is important for us to take these steps with a cool head, in a calm way, to secure the best possible outcomes for EU citizens who are here, as well as for British citizens overseas.

Further considerations must be taken into account. As I said on Monday, it has been suggested by Members of Parliament and others—and it has been suggested again today—that the Government could fully guarantee EU nationals living in the UK the right to stay now, but where would the right hon. Member for Leigh draw the line? I think that he has drawn it in one place already by suggesting 23 June, but what about 24 June? What about the EU nationals who arrived later that week, or those who will arrive in the autumn to study at our world-class universities? Or should we draw the line in the future—for example, at the point at which article 50 is invoked, or when the exit negotiations conclude?

It must also be recognised that, as well as working to protect the rights of EU nationals in the UK, the Government have a duty to protect the rights of UK nationals who currently reside in countries throughout the EU. Just as EU nationals are making a tremendous contribution to life in the United Kingdom, UK nationals are contributing to the economies and societies of the countries that belong to the EU.

Andy Burnham: Surely 23 June was the moment when the position changed. Surely anyone who came here before that date came here in different circumstances. It is easy to trace everything to that day.

May I return the Minister to the issue of the link with British nationals? The Government have a responsibility to people who are living here today, are worried about their future, and are feeling insecure. Why is the Minister saying that people who have chosen, voluntarily, to make a life in another country are as important, if not more important, to the Government as those who are already here in our communities?

James Brokenshire: Do I understand that the right hon. Gentleman is suggesting that we should not be standing up for British citizens? They are British citizens, wherever they may be in the world. It is important for us to ensure that there are appropriate protections for British citizens, whether or not they are in the EU, and also for EU citizens who are here.
As for the timing issue, I repeat what I said about 24 June. We remain an EU member state until we leave, and we are therefore subject to all the existing EU laws and requirements in that regard. All I am saying to the right hon. Gentleman, very firmly, is that drawing up cut-off dates is not as straightforward as he is suggesting, because of the continuing rights that will exist in relation to EU citizens who have arrived since the referendum result, and the need to ensure that this issue is properly addressed.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): The Immigration Minister is right to say that we should be concerned about the interests of British ex-pats. Perhaps he can tell the House whether he has been in touch with the Spanish Interior Minister or other Ministers across the EU, or whether these are simply words and a delaying strategy. If he has been in touch with them, can he tell us whether any of those other Governments want to play a trading game with people’s lives and other people’s citizenships, because I do not believe they do, and if they do not, why can he not just get on with this—listen to all Members in all parts of the House and give some guarantees now to the EU citizens who are settled here?

James Brokenshire: I understand the right hon. Lady’s point about certainty, and we want to give certainty at the earliest possible opportunity, but it is not as straightforward as she suggests for the reasons I have already mentioned. Of course conversations have taken place at different levels of government with other member states, and clearly we want to see that this certainty is provided for British citizens in EU member states as well as for EU citizens here. That is why I make the point about this being a priority. But we should not pretend that this is a straightforward task. There is a range of practical, financial and legal considerations. As part of this work, the Government will need to consider the range of circumstances of those who could enjoy these protections, and the form of the protections. For example, an EU student who has embarked on a higher education course might have differing requirements to an EU student who has just graduated from university and is looking for work.

This issue is not simply about the immigration status of an individual. Under free movement law, EU citizens’ rights are far broader than just the right to reside in the UK. There are employment rights, entitlements to benefits and pensions, rights of access to public services, and rights to run a business, which are so closely aligned with the right to provide cross-border services, as well as the ability to be joined by family members and extended family members, in some cases from countries outside the EU. Of course, under current arrangements these rights extend to European economic area and Swiss nationals, who are not in the EU. They all need to be considered, and we must remember that people do not have to register with the UK authorities to enjoy basic EU rights to reside. We will need to work out how we identify fairly and properly the people who are affected.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): It is of course possible to make life exceedingly difficult, and that is what the Immigration Minister is trying to do. Will he listen to what my right hon. Friend the Member for Leigh (Andy Burnham) said, which was very straightforward: on EU citizens’ rights to residency, we acknowledge that whatever rights they had on 23 June they have now, end of story?

James Brokenshire: Obviously, I hear the desire for that simplicity, but it is not as straightforward as the right hon. Lady would like to present. She might reflect on some of the themes I have highlighted, because it is important that we get this right, not just for now, but for the years to come. It is about getting the right deal—the fairest deal—for those who are here, and that is what we remain committed to doing. There will need to be detailed and painstaking work examining each of these rights and the different circumstances in which people find themselves, to ensure that there are no unforeseen or unintended consequences. That work will be led by the Europe unit based at the Cabinet Office, which will work in close consultation with all Departments with an interest.

It is important for the House today to underline to EU nationals that they continue to be welcome in the UK. Alongside the statements made by the Prime Minister that there will be no immediate changes in the circumstances of EU nationals, the Department for Business, Innovation and Skills has published guidance for EU students to provide additional reassurance to those who are about to embark on a course.

James Brokenshire: As I think I indicated in response to other interventions, this is a priority for the Government and we recognise the issues that have been highlighted, fairly, by colleagues across the House. That is why, for the reasons given by my hon. Friend, the matter is being given emphasis and priority within the Government. Despite some across the House having sought, unfairly, to sow doubt and create uncertainty, people should take a message of reassurance from the contributions to the debate and our statements that the intent is to solve the issues quickly.

In recent days, we have seen some appalling hate crimes perpetrated against EU nationals and others living in the UK, including damage to a Polish community centre in Hammersmith, hateful leaflets targeted at children in Cambridgeshire and abuse hurled at people walking in the streets. The Metropolitan police has said that 67 hate crimes are being reported every day. Hate crime of any kind has absolutely no place in our society. We will not stand for these attacks, which should be investigated by the police.

Andy Slaughter: I thank the Minister for mentioning the extremely sobering attack in Hammersmith. We are waiting to hear whether, like the hon. Member for
James Brokenshire: As I have already indicated, this is a clear priority in relation to agreements with our EU partners. It is absolutely right that we condemn the activities of anyone involved in such incidents in the hon. Gentleman’s constituency. Equally, and as I have said, there are no changes to existing EU rights while we remain a member of the EU. I believe that we will be successful in securing those rights and will seek to treat fairly the EU nationals who are here.

As I said, hate crime of any kind has absolutely no place in our society. We will not stand for these attacks, and they should be investigated by the police.

Ian Blackford (Ross, Skye and Lochaber) (SNP): The Minister highlights hate crime and our responsibility to look after EU citizens who are here. Will he come and meet our constituents? A young French teacher in my constituency is living in fear and is alarmed about whether she will be allowed to stay here in the long term. Why do we not do the right thing collectively today and say that the people who are here are citizens of our country and deserve the full rights and support that we can give them? This is not about negotiating with Europe. Let us take that off the table and do the right thing for those who live in this country.

James Brokenshire: That is why, as I have said several times, we are working and will work to guarantee the rights of those who are here while also protecting the rights of British citizens. I remain confident that we will be able to do that, and people should therefore take a message of reassurance from this debate about the Government’s intention to act fairly and appropriately. Those are the values that I stand for and that is the approach that we will take.

Mark Pritchard: I welcome the reassurances that the Minister has given to the House today. From what we have heard, I think there is a misunderstanding about the status of EU nationals in the minds of some Members. If that is the case here, it is more likely—or as likely—to be the case outside. As a practical step, has the Home Office put something on its website to say what that status is now and will be in the future?

James Brokenshire: We are clear as to the existing rights of EU citizens, and I have made the point in relation to the five-year residency issues. I am also convening a meeting with ambassadors of EU member states to explain the steps that we are taking in response to threats to communities, and to underline some of the key messages I have given today so that they can reassure any of their citizens who contact them about this.

Andy Burnham: I am grateful to the right hon. Gentleman for giving way once again; he has been incredibly generous. I just want to clear one thing up before he concludes his remarks: how do the Government propose to vote on the motion? One might have the impression, having listened to him, that they are getting ready to vote against it, but it has been suggested that they might abstain. Let us be clear that if the Government abstain, the motion will be carried and the message will go out from this House tonight that people are welcome here and that they will be able to stay.

James Brokenshire: My concluding remarks might be helpful in responding to the right hon. Gentleman’s intervention.

As I said on Monday, EU nationals can have our full and unreserved reassurance that their right to enter, work, study and live in the UK remains unchanged. We value the tremendous contribution they make every day in towns, cities and villages up and down the country. We fully expect that the legal status of EU nationals living in the UK, and of UK nationals living in EU member states, will be properly protected. Given that both the UK and the EU want to maintain a close relationship, we are confident that we will work together and that both EU and British citizens will be protected through reciprocal arrangements. As part of the negotiations, we want to be able to conclude these matters as quickly as possible.

We therefore have great sympathy and alignment with the themes contained in the Opposition’s motion—I do not think that we are very far apart in that regard. However, as I have set out, any decision to pre-empt our future negotiations would risk undermining our ability to secure those arrangements and protect the interests of EU nationals and British nationals alike and to get the best outcomes for both. That is why we are unable to support the motion tonight.

Several hon. Members rose—

Madam Deputy Speaker (Natascha Engel): Order. I give notice that there will a six-minute limit on Back-Bench speeches, although that does not apply to the Scottish National party’s Front-Bench spokesperson, Stuart McDonald.

4.27 pm

Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): The day after the referendum, Scotland’s First Minister directly addressed nationals of other EU states, telling them, “you remain welcome here, this is your home and your contribution is valued.” It was a simple but powerful statement, and one that was warmly welcomed. Indeed, it was echoed today by the shadow Home Secretary. Like that statement, this motion has our full support.

In contrast, the Home Secretary’s comments were gravely misjudged, causing apprehension where there did not have to be any, and creating uncertainty when she has the power to provide clarity. What makes the
situation all the more frustrating and ridiculous, for reasons I will come to, is that it seems blindingly obvious that EU nationals will be able to remain here as and when—and indeed if—Brexit occurs. But people need to hear that loud and clear from the Home Secretary. She must put that beyond any doubt.

On Monday, Members on both sides of the House united to tell the Home Secretary to do just that, and I have no doubt that the same will happen today. The same arguments, based on both simple common decency and plain common sense, remain overwhelming and unanswerable.

We have heard already, as we will hear again today, about the friends and family, the colleagues and the constituents from other member states who are now uncertain about their future. We have also heard, as we will hear again today, about the valued staff, the key personnel and the vital public service workers from other EU countries whose future now seems uncertain. It is utterly unacceptable to expect people to live their lives with such uncertainty. It is a disgraceful way to treat our EU citizens.

On Monday the Minister expressed genuine sympathy with many of those arguments, and it is abundantly clear from what he has said that he wants to get us to a position whereby EU citizens can and will remain in the country. Sympathy and expressions of hope, however, are not enough. Clarity and reassurance now are essential, and they can and should be delivered.

The reasons offered by the Government for refusing to provide that clarity are absurd and bizarre. On Monday the Minister was unhappy—he is unhappy again today—at the use of terms such as “bargaining chip”, but he himself said that securing the status of EU migrants in the UK, alongside that of UK citizens in the EU, “needs to be part of the negotiations.”—[Official Report, 4 July 2016; Vol. 612, c. 616.]

That sounds exactly like a bargaining chip, because that is what it is, as his own hon. Friends have said. It is because the rights of EU citizens are being used as bargaining chips that the Government are not guaranteeing them.

That is as absurd as it is wrong and unethical, because it is a rubbish bargaining chip. How credible is it for the next Prime Minister to tell EU states, “If you don’t give us what we want, we’ll cut off our nose to spite our face, and if we don’t get the deal we are demanding, we’ll attempt to destroy ourselves by withdrawing rights from friends and loved ones, colleagues and neighbours”? The shadow Home Secretary and, indeed, the Chair of the Foreign Affairs Committee have already skrewed the logic of that tit-for-tat approach.

Dr Eilidh Whiteford: Does my hon. Friend agree that the best way to protect the rights of British citizens living in other parts of the EU is to give a simple reassurance that EU nationals living here will have their rights protected?

Stuart C. McDonald: I absolutely agree with my hon. Friend. It is not a complicated matter. If we cannot persuade the Home Secretary on the grounds of common decency or common sense—that sometimes happens in immigration debates, unfortunately—perhaps we can appeal to her self-interest by gently pointing out to her that she is, unusually, making a fool of herself by taking this approach.

I genuinely believe—I certainly hope—that I am not being naive in saying that I do not for a minute believe that the Government are realistically even contemplating removing rights from millions of EU migrants. I think that all hon. Members know that and I think that the Minister knows it; he did everything he could on Monday to hint at it without saying so explicitly. What is more, the European Commission, other member states and everyone else involved in negotiations know it, too. Sadly, the only people who really matter in all of this—the EU nationals themselves—do not know it, because the Home Secretary is not saying it and the climate that they are living in tells them the opposite. The Home Secretary needs to fix that now.

Joanna Cherry (Edinburgh South West) (SNP): My hon. Friend has talked about us cutting off our nose to spite our face. I met the principal of Edinburgh Napier University in my constituency last Friday and she has been advised that potential staff members from other EU countries are withdrawing from job offers. Does my hon. Friend agree that if this uncertainty is allowed to continue, it will seriously damage the university sector in Scotland and across the United Kingdom?

Stuart C. McDonald: That is a perfect example of the uncertainty we are talking about and it has to be brought to an end. As my hon. Friend the Member for Banff and Buchan (Dr Whiteford) has said, this does not require a detailed statement on exactly what form of leave is required or the precise mechanisms for implementing it. It requires a simple statement that all EU nationals in the UK today will continue to enjoy leave to remain in the UK, regardless of Brexit, and, preferably, that they will enjoy such leave on conditions that are at least as favourable as those currently in place. A simple sentence from the Minister or the Home Secretary is all that is required.

As the Chair of the Home Affairs Committee has said, it is also absurd to argue that the UK’s position in Brexit talks would be undermined by such a move. On the contrary, it would show that we are approaching any negotiations in good faith, co-operatively, realistically and with integrity. The Home Secretary’s posturing, on the other hand, would engender nothing but ill-feeling and bad blood.

Peter Grant (Glenrothes) (SNP): My hon. Friend has said that EU citizens who live in the UK still feel uncertainty. Does he agree that another group who need to be told in no uncertain terms that those people are welcome are the racists who are carrying out racially motivated attacks on EU and other nationals, and that they need to be given an indisputable message that those EU citizens are welcome here and that they are here to stay for ever if they want to do so?

Stuart C. McDonald: My hon. Friend is absolutely spot on. I will come to that issue shortly. As I have said, the Home Secretary’s negotiating position is complete and utter nonsense. Sadly, that is not out of keeping with too much of her immigration policy and indeed with too much of what passes for debate on matters of immigration.
[Stuart C. McDonald]

Finally, since the referendum result Members have quite rightly gone out of their way to recognise the hugely positive contribution made by nationals of other countries, including other EU countries, to the UK's economy, society, communities and families. Members have condemned the xenophobia, racism and hostility that many are encountering.

There can be no shadow of a doubt that political discourse and rhetoric during, and for many years before, the EU referendum have been factors in legitimising and emboldening that very xenophobia. There has been intemperate talk of "swarms", "waves", "benefit tourists" and "NHS tourism" and an explicit Government goal of creating a hostile climate. Instead of tackling anti-migrant myths, there has been acquiescence. Instead of taking on the myth peddlers, too many have sought to ape their rhetoric. There has been empty policy after empty policy focused only on numbers, while the other major components of migration policy—integration and planning—are completely and utterly neglected.

Those failures preceede the current Government by many years, but there can be no greater example than the net migration target, which is utter baloney. Every quarter we go through the same political pantomime of the Government wildly missing their net migration target, and the official Opposition demanding that something must be done, even though they have no idea what that something is.

Everybody in this Chamber knows that, whether or not we are in the EU, the net migration target is a complete myth. It has allowed the poisonous fiction to grow that the presence of EU nationals and others in this country is some sort of terrible problem that can be solved simply by turning off the migration tap without consequence, and that getting EU nationals to leave will therefore be a good thing.

Andy Burnham: I am grateful to the hon. Gentleman. I am talking about the Canadian national policy?”

Did I hear the hon. Gentleman say that manipulating the numbers makes a growing problem, rather than tackling it? I am grateful to him for giving way. I am not suggesting that immigration is some sort of terrible problem that can be solved simply by turning off the migration tap without consequence, and that getting EU nationals to leave will therefore be a good thing.

Stuart C. McDonald: I certainly hope that that transpires and becomes the case. The message should go out loud and clear from here that it is Parliament’s will that all EU nationals in this country will continue to enjoy the rights that they have just now and on the same terms and conditions.

I am also asking the House to think again about how we approach the debates on immigration. As I was about to say, it is absolutely no coincidence that what was an already desperate and ugly campaign went completely off the rails after 26 May when the latest net migration figures were published. Politicians have turned the net migration target into some sort of Holy Grail, regardless of the fact that it is utterly unobtainable, and we have reaped the disastrous consequences in the weeks since those results.

Stewart Malcolm McDonald: I am very grateful to the other Stuart McDonald for giving way. I am not suggesting for a minute that this is Scottish National party policy, but something that has been on my mind for a number of years is that, given that we know the economic benefits of immigration, why do we not shift responsibility for it away from the Home Office to the Treasury? Would that not change the terms of the debate?

Stuart C. McDonald: My honourable namesake makes a very good point. My point is that it is time to do things very, very differently. A few months ago, I went to Edinburgh university to meet Professor Christina Boswell who had arranged a discussion about the dangerous disconnect between political rhetoric and reality when it comes to immigration. She highlighted the launch by the German Government, back in 2000, of a cross-party commission on immigration. The German Immigration Commission brought together the main political parties, as well as representatives of business, trade unions, religious and migrant groups and immigration experts. It allowed for evidence-based discussion on all aspects of immigration, and sought to build consensus around policy reform. It examined Germany’s demographic and economic needs as well as challenges related to the social impacts of immigration and policies for integration. Perhaps more significantly, it changed the whole tenor of debate in Germany, normalising the idea that Germany was, and would need to remain, a country of immigration, and encouraged a more grounded and factually informed discussion of what that would entail.

We can perhaps learn too from the Government of Canada, who just yesterday launched a national conversation on immigration. Their starting point is: “Is it important for Canada to continue to show leadership in global migration? If so, how can we best do that?”

The conversation document seeks to engage all Canada’s citizens in a grown-up discussion of all the key questions, from “How many newcomers should we welcome to Canada in 2017 and beyond?” to “Is it important for Canada to continue to show leadership in global migration? If so, how can we best do that?”

Ms Gisela Stuart: Do I take it the hon. Gentleman is advocating an Australian-style points-based immigration policy?

Stuart C. McDonald: I do not know where the hon. Lady gets that idea. I have not mentioned Australia. What I am talking about is the Canadian national conversation.

By asking the questions I quoted and having that grown-up conversation, Canada is already showing leadership. It is time that politicians here followed that example. As well as using today’s debate to praise EU
nations and demand that the Government confirm their status, let us think too about how we can work together across parties to combat xenophobia in all possible ways and to ensure that migration policy and debates are based on evidence and honesty rather than political expediency. Anyone who wants to be Prime Minister should sign up to that approach and start by being absolutely straight about the safe and secure future of our EU nationals in this country.

4.41 pm

Heidi Allen (South Cambridgeshire) (Con): Thank you for calling me, Madam Deputy Speaker. I do not think I have ever been the first Back Bencher to be called. This is a record—I must be doing something right.

The emails I have received since the vote to Brexit have been like a tidal wave.

“We felt like a hurricane had hit our house”.

That was a statement made by one of the 200 of my constituents who came to a public meeting I held last Saturday to try to answer questions about the future. I say 200 because that was all we could squeeze in to the council chamber; unfortunately, another 300 or so had to be turned away.

My constituency is home to some of the best scientific and business brains in the country. The Genome Campus, the Babraham Institute, AstraZeneca, Alzheimer’s Research UK and Cambridge University colleges—what they all have in common is that their work and global reach is the result of the combined effort of EU and UK citizens, who have moved there for their brains to connect. Our local economy is a major contributor to the EU economy, not just to the UK’s. Our work is developing drugs to beat cancer, pushing medical advancement every single day. Our beloved and nationally famed hospitals, Addenbrooke’s and Papworth, rely on an international workforce making up 11% of the total, which is well above the national average of 6%. These brains have families. Their children learn in our schools, their families contribute to our local communities and they help to run our parish councils.

The irony of ironies is that on polling day I was speaking to a room full of female engineers, encouraging them to lead and inspire more young women to follow in their footsteps. Bright, young and compassionate, they are plugging our science, technology, engineering and maths skills gap, and many of them are Italian, Dutch or Spanish. These ladies—these people—are hurting. The EU is hurting. Everyone is hurting. If this is a divorce, we in this Chamber are the responsible adults and these people are our children. We have welcomed them into our family, they have enriched our family, and we now owe it to them to protect them while we find a route forward.

Not a single candidate for Prime Minister has described or treated those people as bargaining chips; nor will they allow our 1.2 million British citizens living in other EU countries to be pawns of the negotiators on the other side of the water. We must never forget that this works both ways. Our British citizens deserve to be a priority in our mind.

Mr Alistair Carmichael (Orkney and Shetland) (LD): The hon. Lady is taking a very human angle in this debate—an angle that it is important to remember. Does she not agree, though, that we have an opportunity to set the tone of the negotiations—to say to our current EU partners, “This is the way that we approach this. We won’t let this have an adverse effect on your citizens”? Surely that will make myriad areas of discussion that much easier.

Heidi Allen: I thank the right hon. Gentleman. It is interesting, given that I am about to come to a point about lack of cross-party consensus, that what he says is almost exactly what is on my next page, so perhaps I am about to eat my words. I was about to say that I am disappointed that the cross-party consensus that led up to the referendum seems to have evaporated already, and we are back to the same old, same old. I feel that, here today, we are using these people for political point scoring, and I regret that. [Interruption.] It is how I feel.

Our new Prime Minister and Government will show clear leadership. The negotiations may be complex, the poker hand held close, but if we have learned one thing in the current refugee crisis, it is that people matter, and people must come before politics. I would like our new Prime Minister swiftly to establish negotiating terms of reference—a guiding principle that both Great Britain and the EU can sign up to. It should state very clearly that the lives of those disrupted by this momentous decision will be our collective priority. That would set the tone. That would be the first big test of leadership for our new Prime Minister, and I feel confident that they will rise to it.

Trust in politicians is even lower than it was when I became an MP just over a year ago, and I honestly did not think that was possible. To my Conservative colleagues, I say that our new leader must be someone who can reunite our country and lead the way back to trust. Now as never before in my lifetime, our great country must come together, but to do that, our people must have security, and certainty in their future, their family’s future, and their neighbours’ future. Without that, they will not have the strength to heal the rifts in their communities. My constituents want to play their part. They want to help, but they cannot do that on quicksand. Security is the first step back to trust. I will look to our new Prime Minister to lead by example.

4.47 pm

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I feel slightly sorry for the Immigration Minister, who has been sent out to defend the indefensible for the second time this week by his Home Secretary. I hope that he has got a very good promise of a very good job out of this. It is not the first time that he and I have debated in this House when he has been sent out while the Home Secretary has gone to hide.

The Minister’s position is still indefensible, though it has moved in the past few days alone. The Home Secretary said on Sunday that there could be no movement until the negotiations had started, and one of her aides said that the issue was a “negotiating point”, even though there was all that stuff about this not being a bargaining chip. The Foreign Secretary said that it was “absurd” to agree on the status of EU citizens before anything could be agreed in wider negotiations, and the Minister himself said that it would be “unwise” to agree the status of EU citizens before wider negotiations had taken place.
Yvette Cooper: My hon. Friend is right. This is an immensely sensitive period and all of us have a responsibility not to give succour to extremists who want to exploit it. That should mean giving confidence to people who have been settled here, often for many years, contributing to our public services or working setting up businesses.

Mike Gapes (Ilford South) (Lab/Co-op): May I draw to my right hon. Friend’s attention to early-day motion 259, of which I am a co-sponsor, which raises exactly that point in respect of all the groups of migrants in this country, as well as the New Europeans group, with which I am pleased to be associated? Will all Members please add their name to early-day motion 259?

Yvette Cooper: My hon. Friend makes an important point. We all know that immigration has made a huge contribution to this country over very many centuries and that it will be important for our future.

As a result of the referendum I expect immigration rules to change for the future, and I have argued myself that free movement should be reformed even from within the EU, but there is a big difference between changing immigration rules for the future and suddenly ripping up the rights of people who are settled here, people who are living here now and have been doing so in good faith.

The Immigration Minister made three points today. First, he said that we would effectively guarantee only if the rights of British expats were also agreed. Secondly, he said that the matter was complicated because employment rules and benefit rules, why does he suddenly throw that into the debate as a reason to delay securing the rights and the status of people who are here already? Thirdly, the Minister said that the matter would have to be looked at by the EU unit. As he knows, the EU unit is hardly set up at all. Staff are still being recruited. The unit has huge numbers of things to look at. It will not take any decisions until the new Prime Minister is in place and that is simply not fair on people.

Kids in the playground are being told that they have to go home. They are being bullied or teased at school and told that they might have to go home. Their parents cannot say to them, their teachers cannot say to them, and we as their MPs cannot say to them, “No. We can guarantee that you are not going to have to go home”, because the Immigration Minister will not say it and the Home Secretary will not say it. Unless both of them and the whole House say it, how can their teachers and parents reassure those kids in school right now? That is why the Minister should do it. It is not a big step for him to give that reassurance now.

I agree with the Minister that he should also advocate for the rights of British expats. There are pensioners who have invested their life savings in homes in Spain or Italy. We should be standing up for them and for people who are working in France and Germany.

Peter Grant (Glenrothes) (SNP): Will the right hon. Lady give way?

Yvette Cooper: I will not, because of the shortage of time. I am sure the hon. Gentleman will have time to contribute.

By getting into what looks like a trading game of people’s rights, the Minister is encouraging other Governments across Europe to get into the same trading game, and allowing them to think that this is something to be negotiated or a game to be played. Surely it would be simple just to say, “These are the rights that we are going to guarantee”, and then other Governments will follow suit. Doing so would make the negotiation easier, not harder.

I know that the Minister has said very firmly that he objects to the race hatred, the repatriation campaigns and the vile things that extremists have been saying, exploiting the current uncertainty. He is right to condemn those things and I know that he believes that strongly. However, he is giving extremists succour by not resolving this and not providing certainty. He knows that the vast majority of leave voters and remain voters are appalled by this kind of extremism and believe that EU citizens who are here, as well as British ex-pats in other parts of Europe, should have their existing rights respected, so why not just sort it out now?

Let us all say together to the extremists, the bullies in the playground, those trying to attack people in the street or on the bus, and those spraying slogans on community centres: “We will not stand for this. Of course we value those who have made a contribution here.” However, if we are all really to say that together, we need the Minister to say it, we need the Home Secretary to say it and we need the Prime Minister to say it. I really urge them to listen to the strong views on both sides of the House, to take a lead and to
exercise the sovereignty of this House, which we have debated for so long. Let us all just say that these people should be able to stay.

Several hon. Members rose—

Madam Deputy Speaker (Natascha Engel): Order. The speech limit is being reduced to four minutes.

Mrs Flick Drummond (Portsmouth South) (Con): Like other Members of the House, I very much regret the increased reports of abuse and racism over the last two weeks. I represent a diverse and vibrant community in Portsmouth, which, as a port city, has always looked out to the wider world and welcomed people from everywhere.

As well as the traditional arrival of people as a result of trade and the Navy, we have a university with one of the fastest growing reputations in Europe. It takes in students from Europe and elsewhere, and I know how important universities’ global reach is for their academic and financial wellbeing. We already hear concerns from the higher education sector that the immigration restrictions on students and academics are onerous, and that has been debated before—often in this House. Whatever happens as we negotiate our way out of the EU, we must make sure that the world-leading position of our universities is not threatened in any way.

Everyone in Portsmouth was horrified at the racist abuse against the Polish community that was daubed on a wall next to our civic war memorial last week. I hardly need to point out the contribution the Poles have made as our allies in the most tragic circumstances for their country. Anyone who listened to the Polish Member of the European Parliament who was speaking following the result of the referendum will have seen his anguish and anger at how we have been treating Poles.

Whether someone comes to the UK from Poland or any other part of the EU to learn or work, they have the right to fair treatment and to be secure against racism and hatred. I disagree that this extremism is happening because of the status of these people at the moment; immigration came up frequently during the referendum, because of the status of these people at the moment; and hatred. I disagree that this extremism is happening everywhere.

Whether someone comes to the UK from Poland or any other part of the EU to learn or work, they have the right to fair treatment and to be secure against racism and hatred. I disagree that this extremism is happening because of the status of these people at the moment; immigration came up frequently during the referendum, because of the status of these people at the moment; and hatred. I disagree that this extremism is happening everywhere. Whether someone comes to the UK from Poland or any other part of the EU to learn or work, they have the right to fair treatment and to be secure against racism and hatred.

Peter Grant: Does the hon. Lady agree that a climate in which racism can thrive has actually been building up for years, largely thanks to the shamefully xenophobic headlines we have seen almost every day on the front pages of newspapers such as the Daily Express and the Daily Mail?

Mrs Drummond: Yes, I totally agree, and that is also one of the reasons for the rise of UKIP because people saw it as being able to control immigration. It is something I completely abhor.

Those who come to the UK under a set of laws and immigration rules should be free to remain here under them for the duration of their stay. What happens in the future to people who want to come here after we have left the EU is a matter for the Government to look at, and that will be a discussion we have with the other 27 members in the coming years. However, basic notions of British fairness compel us to give the people who are already here a guarantee.

Most people in the UK who are from elsewhere in the EU are here for a limited time. One of the benefits of EU membership for people from recent joiners has been that it has helped their home countries to develop, and those people want to return to them. They are not coming here to escape permanent poverty, but to earn money to take home with them.

As we move on from the referendum decision, I hope we will be able to debate and decide these issues calmly and through consensus, rather than conflict. We have to set an example to the rest of the country, and if we fail we will just encourage the preachers of hatred and racism.

I am aware that this is complex and that it should be the first area of negotiation. In the meantime, however, we need to reassure our valuable EU taxpayers that we welcome them here.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I think this House has to show leadership. People watching us today, from the United Kingdom and from mainland Europe, who have an interest in the decisions we make have a right to expect a clear statement from us. Some Members have mentioned the referendum campaign. There was an official referendum campaign, Vote Leave, which I was part of. The poster that has been mentioned was not part of our campaign, and we condemned it. There were other players who behaved in a way for which they have to be answerable. We were absolutely clear that we expected this Government to ensure, and to say clearly, that any immigration policy would have democratic consent, including respecting the rights of UK citizens abroad and EU citizens here up until the point that the country had made a decision.

I have to say to the Immigration Minister—with whom I too have a lot of sympathy, because he has been sent out to bat on a pretty sticky wicket—that he cannot pretend that people are not being treated as a bargaining chip and then say that we have to await the outcome of negotiations, which may be quite a long way off. In the interests of brevity and not repeating what others have said, my right hon. Friend the Member for Leigh (Andy Burnham) made it absolutely clear what the Minister needs to do. My hon. Friend the Member for Walthamstow (Stella Creasy) reminded him that as this is a question of British parliamentary sovereignty, he is perfectly capable of doing what my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) asked him to do—just to get up and say that anybody in this country who had residency rights acquired before 23 June will continue to have them. That would set the tone for the negotiations and send a signal to everybody in the rest of Europe as to how we expect them to treat UK citizens living abroad. May I invite him to do that?

Lyn Brown (West Ham) (Lab): The Government’s refusal to guarantee the status of our EU residents is, quite frankly, an utter disgrace. Last weekend, I spoke to an Italian woman who has lived and worked in Britain for 30 years. She has made Britain her home.
She has raised her family here. Her children were born here and they are working here. She was in tears when she told me of her worry that she and her family were about to be deported. It absolutely broke my heart.

The Parliamentary Under-Secretary of State for the Home Department (Karen Bradley) indicated dissent.

Lyn Brown: Intervene, then.

There are 3 million EU nationals living in the UK. Just like my constituent, they have jobs and homes, and are concerned about the future for their families. These are families who have entered the UK legally, made their homes here, paid their taxes, and have made a wonderful contribution to our country. The very least these families deserve is to have certainty about their future.

Julie Cooper (Burnley) (Lab): In this time of uncertainty post-Brexit, this is surely one area where the Government could act to give certainty immediately. Saying that EU citizens are not in any “immediate” danger of having their status changed is frankly not good enough. The Government have the power to act now and should do so.

Lyn Brown: My hon. Friend is absolutely right.

The Home Secretary has said that these people’s lives will be a “factor” in the forthcoming negotiations over our exit from the EU. She has implied that the rights of EU citizens living here cannot be guaranteed because the Government need to seek guarantees about the rights of UK citizens living on the continent. It is appalling; people’s lives should not be treated as a bargaining chip. The Government’s strategy is not only heartless—it is inept. We do not want the other 27 member states to threaten the rights of the 1.2 million British nationals living on the continent, so why are we starting negotiations by threatening the rights of EU nationals living here?

I can only presume that the Home Secretary’s focus is not really on negotiations with the EU. Her tub-thumping, I presume, is designed to court the votes of the right-wing Tory membership—an olive branch after, and I say this gently, her low-profile support for the remain campaign. Using people as bargaining chips in EU negotiations is one level of insult; using them as pawns in a Tory “Game of Thrones” is quite another. A Prime Minister with any sense of responsibility could have stopped this happening. By resigning from office before settling the most basic questions about leaving the EU, this Prime Minister has left our exit strategy to the vagaries of a Tory leadership contest. The rights of EU nationals, the speed of our exit, and our future relationship with the EU are all factors in the Tory leadership campaign. This leaves 150,000 Tory party members in a position of disproportionate influence.

The failure to make a commitment to EU nationals comes with grave consequences. Racists and xenophobes are feeling emboldened and are spreading poison within our constituencies. I am ashamed to say that, in my constituency, a residential block was sprayed with a swastika and the word “out” in large, bold letters. I know that Members across the country have had to deal with similarly vile incidents. There has been a 57% increase in hate crime since the referendum. A straightforward and clear message that EU residents are valued and welcome to stay for as long as they like would put racists back in their place. The destructive idea that there may be forced deportations would be rubbished in an instant.

If the Home Secretary is too busy to act, the Prime Minister should do so. I know he wants to run away from the responsibility for our leaving the European Union, but it was his referendum. He should have made sure that plans were in place for the immediate aftermath, no matter what the result. By abdicating his responsibility, the Prime Minister has left us all at the mercy of a Tory leadership campaign that is making us lurch to the right. It is our neighbours and friends from elsewhere in the EU who are suffering the most. It is a national disgrace.

5.6 pm

Keith Vaz (Leicester East) (Lab): It is a pleasure to follow my hon. Friend the Member for West Ham (Lyn Brown), who spoke with enormous passion about these issues. I am sorry that I was not able to be here for other speakers. The Select Committee is hosting a seminar on female genital mutilation, which is ongoing, but I wanted to contribute to this debate because it is of huge importance.

I was very pleased with the urgent question asked by my right hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) on Monday. We disagreed with each other in respect of the referendum campaign but on this we are at one, as I think every other speaker so far has been, apart from the Minister. [Interruption.] Perhaps I am wrong, but I took it that the hon. Member for Portsmouth South (Mrs Drummond) also supported the view that EU citizens ought to be given the rights that we have talked about.

There are three issues here. The first is certainty. Immigration law has to be certain. To avoid legal proceedings being taken against the Government, breaches of the Vienna convention and any other uncertainties, it is absolutely vital that there is a strong alliance between the law of the land. That is why it is in the Government’s interest to allow for this certainty and to say that, from 23 June, anyone resident in this country who has come from any EU country ought to be allowed to remain here if they choose to do so. Some will and some will not, but that certainty is vital. It is extremely regrettable that, at the moment, different members of the Government are saying different things on immigration law. That cannot be right for our country and it cannot be right in respect of others who will come to this country.

Let me play devil’s advocate. The Minister and the Home Secretary might be fearful that now, after 23 June, people will suddenly arrive in the United Kingdom and then decide to remain here permanently. However, they can deal with that by giving a cut-off date now. They do not need to wait for the negotiations to begin. In fact, it would strengthen the hand of the future Prime Minister, whoever he or she may be—I do not have a vote in this leadership campaign, despite the wishes of some Members on this side—to be able to go to that first meeting, as they will have to do, and say that the United Kingdom has guaranteed the rights of EU citizens to live in this country. That would be a huge boost for whoever is the Prime Minister, and a huge amount of good will would flow from that decision.
I think it will be automatically accepted that the 1.3 million British citizens living in the EU will be allowed to stay. If the Minister needs a justification for that certainty, he just needs to read the brilliant speech made last night in this Chamber by his ministerial colleague, the Under-Secretary of State for the Home Department, the hon. Member for Staffordshire Moorlands (Karen Bradley), about what happens when social attitudes change as a result of a Government decision. We have all had examples of this. I heard it for myself when I went to a Polish church on Sunday, with my hon. Friend the Member for Ealing Central and Acton (Dr Huq). This is what will happen if we are not certain about our law.

The Minister has six days to change his mind before he appears in front of the Home Affairs Committee on Tuesday. I hope he will use those six days carefully to reflect on what the House has said and to do the right and decent thing. We are a good country and we are a decent country. Let us show what we are really made of.

5.10 pm

Dr Philippa Whitford (Central Ayrshire) (SNP): As I have done in previous debates on this issue, I declare an interest in that my husband is a German national who has lived here for 30 years and works in the NHS.

James Brokenshire: He can stay.

Dr Whitford: That is awfully good of the Minister. I will phone my husband and tell him.

We have already heard of very high-calibre people who are not coming to the UK because of this issue. I was at the graduation ceremony of the University of the West of Scotland last Friday. One of its senior lecturers was almost at the point of getting on the boat to come here, but because in less than two years he might have to move his family and children, sell the house and go back, he has decided that it is not worth it. However, we are focused not on what will happen to the people who are due to come—that will have to be looked at—but on the people who are already here. They are totally integral to our communities and our public services.

Obviously, my background is in the NHS. As we heard on Tuesday, 110,000 people from the EU work in our health and social care systems. About half of them are doctors and nurses, and half of them are care workers. Although people, such as my husband, who have been here longer than five years and earn more than £35,000 will be able to stay, will that income limit apply to others? If it does, most nurses will not qualify and no care workers will qualify. They will all have to go back, as will most ordinary teachers.

The Government need to think about that insecurity. The Government say, “Don’t worry about it. It might happen in two years.” Does the Minister really think that families sit there and say, “Don’t worry; I know we’re going towards a cliff edge, but we won’t fret about it because in less than two years he might have to move his family and children, sell the house and go back.” He has decided that it is not worth it. However, we are focused not on what will happen to the people who are due to come—that will have to be looked at—but on the people who are already here. They are totally integral to our communities and our public services.

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The Government need to think about that insecurity. The Government say, “Don’t worry about it. It might happen in two years.” Does the Minister really think that families sit there and say, “Don’t worry; I know we’re going towards a cliff edge, but we won’t fret about the house, the kids and the job until a month or so before it happens.” There is no reason to be so combative about this. The Minister talked about fighting for the rights of UK nationals, but it should not be a fight. If we set the example by treating EU nationals here properly and immediately giving them absolute right to remain, there will be a much greater likelihood of civilised talks and of UK nationals being well treated in the EU. If we go in saying, “You do that and we will do this,” we will set completely the wrong tone.

The Minister talked about the fact that people who have been here for more than five years can stay, but we have to look at their rights and benefits. Will this undermine the right to be treated in the NHS, the right to claim benefits if they cannot work and the pension rights of people who have, like my husband, been here for 30 years, even though they may be approaching pension age and can do nothing about the situation? Some EU nationals have been here for years and years, contributing to the country, and to undermine what they have done for us is absolutely despicable. The Minister says that he hopes to be able to reassure them and give them certainty. He could do so now. Just do it.

Several hon. Members rose—

Madam Deputy Speaker (Natascha Engel): Order. I am going to have to reduce the time limit to three minutes.

5.14 pm

Alison Thewliss (Glasgow Central) (SNP): That is challenging, Madam Deputy Speaker. In 2013, Glasgow adopted the slogan “People Make Glasgow”. That could not be more apt at present, because EU citizens—in my constituency and in those of my hon. Friends who represent parts of the city—make it the vibrant and wonderful city that it is. According to the 2011 census, 5.2% of residents in my constituency were born in EU countries; that is double the figure for the Scottish population as a whole.

In the academic year 2014-15 alone, more than 4,000 EU students enrolled at academic institutions across Glasgow. I heard during the week from Professor Philip Cooke, who is professor of Italian history and culture at the University of Strathclyde in Glasgow. He says:

“Since I started teaching here I have seen a radical shift in the composition of the student body—at last week’s graduation ceremony there were students from Latvia and Bulgaria receiving degrees in Italian, as well as many young Scots. The free movement of students facilitated by the Erasmus program has meant that I have taught, for example, Italian to English translation to mixed groups of students who have all greatly benefited from the different linguistic backgrounds of their peers... All of this—and I am not even going to mention European funding for research—is at risk following the referendum.”

He speaks of his own young children, who want to have the opportunity that I and others have had of going to Europe to travel and work.

We must not lose sight of the fact that politics is about people. Among the messages I have received this week is one from Courtney, a Greek national living in Queen’s Park in the south side of Glasgow, who sums up the anxiety and bewilderment that many people face:

“I, like all the other EU immigrants that are here, have broken no laws by settling here. I have been here for five years and am proud to call Scotland my home, meanwhile others have been here for decades. Since settling here I have started a long term relationship, taken work, paid tax, and done volunteer work. Like so many others I am happy to contribute to the local community and overall economy.”

I received a message just this morning from a ward sister at Glasgow royal infirmary who says that nurses there who have come from Poland are deeply concerned...
about their future in the country. They are here, working and contributing, and they deserve to be able to stay.

**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): Does my hon. Friend agree that it would not take much for the Minister to reassure the citizens she has just mentioned? A caseworker in my office is from Finland. She is extremely uncertain at the moment about her future. As her employer, I, like many other employers, would like to know whether these citizens will continue to have rights. It would be easy for the Minister to stand up and say that they will continue to have the rights that they have at the moment.

**Alison Thewliss**: Absolutely. It would be a very easy thing for this Government to do.

This issue is not simply about EU citizens who have come here; it is about people in Scotland who want to have future opportunities. I had an email from Jemma Brown, who says:

> “I am a classical musician with a fledgling international career living... in your constituency and I can see everything I’ve painstakingly worked for caving in upon me if my right to live and work in the EU is no longer straightforward.”

I met the owner of a coffee shop across the road from my son’s school who came from Portugal originally. He lived through fascism. He has travelled the world and come to live in Glasgow. I spoke to him on the Friday after the referendum result. He was heartbroken. Nothing I could say could console him or give him confidence that his future in Scotland was assured. I would like Ministers to reflect on that and come up with a strong message that I can give to people I know in Glasgow who do not know what their future holds.

The testimony I have received underscores the reality of the feelings of isolation that Brexit has caused. It is shameful that the Government have not done enough to tackle that or reassure those people about their future. My Home Office casework tells me that the dignity and respect that the Minister spoke of earlier is not a feature of the immigration system. Constituents from all over the world cannot get a fair break even to get into the UK. I have no confidence that the Home Office could even cope with dealing with the immigration status of EU nationals from all round Europe.

In stark contrast is First Minister Nicola Sturgeon’s message to EU citizens living in Scotland following the referendum result. She made it perfectly clear that they are welcome in Scotland and that their contribution is valued. I unequivocally reject the notion that EU citizens could be considered as bargaining chips in any future negotiations. The Church of Scotland rejects that, too, and its representatives have been in touch to put that forward. I beg the Government to change their stance.

### 5.18 pm

**Chris Elmore** (Ogmore) (Lab/Co-op): One of the most depressing conversations I have had in my eight weeks and four days as a Member of Parliament was a phone call on the day after the referendum from a Polish national who has lived not just in Wales but in my constituency for the past 35 years. She is 75 years of age, disabled and living in a care home. She wanted to speak to her MP. She was in tears because she thought she was about to be deported. Speaking to her care home again this week, I found out that she is now even more confused and worried, and sadly some residents have taken to making comments such as, “When are you going home?” That cannot be right in modern Britain.

On the morning following the referendum, the 3 million EU citizens living in the UK woke up to the news that their entire future had been cast into doubt. People who have built their lives, families and careers in our country suddenly, and without a voice in the matter, found themselves in fear of having to leave the UK. Those men, women and children, many of whom feel as British and you and I, found that they could no longer carry on as usual. In the weeks that followed, instead of offering solace to those 3 million people, some in the Government have treated them as bargaining chips.

Far too often, political debate descends into nothing more than talk of statistics and figures. Today, we should allow ourselves to think of EU nationals in our country not as simple numbers on paper, but as the people they are—the 3 million people who now fear for the future, due to the callous remarks of Government Ministers, are mums and dads, neighbours and friends, teachers and police officers.

The referendum is over, the people have spoken and the UK is set to leave the European Union. Whatever my personal views on that decision, it has been made and we must respect it. However, in the months and years that now follow, we cannot allow ourselves to treat EU citizens living in Britain as political pawns. Today, we are here to debate whether those people should have the right to remain, and in doing so I ask the House to think of the EU nationals in our lives—our friends, neighbours and colleagues—and to consider how their absence would worsen each of our communities.

Across the United Kingdom, particularly in Wales, there have been reports of many who now feel unwelcome in Britain, whether a councillor in Cardiff who was told to get out of the country, or a campaigner in Caerphilly who was told to pack her bags and go home. Let us make no mistake: there is a correlation between the way that some in the Government speak of EU nationals and the hate crimes we have seen on our streets. If the Government continue to treat EU nationals as they have done, we will see those despicable consequences time and again. I hope that the House comes together to send a strong, clear message to say, “You are welcome” to every person born in the EU who has since built their life in the United Kingdom, and that it votes in favour of the motion.

### 5.21 pm

**Roger Mullin** (Kirkcaldy and Cowdenbeath) (SNP): I wish to compliment the shadow Home Secretary on the way he opened this debate. He set the matter out in exactly the right tone, with precision, and suggested how it could be resolved, and I am extremely grateful. I wish I could say that the Minister approached the issue with some degree of certainty, but he was able to offer only a convoluted and equivocal speech that will have generated not certainty but uncertainty in the minds of many EU nationals living in this country.

For me, this started not after the referendum but before it, when during Prime Minister’s questions I mentioned two of my constituents of German nationality
who were so upset at the nature of the debate on immigration that they left Scotland and said that they did not want to live in the United Kingdom while the referendum was going on, such were their feelings about the way they were characterised. That issue went even deeper for them, because they had lived in Scotland at the time of the independence referendum when they were allowed a vote. For the EU referendum, however, they were denied the vote that this House should have given them and that would have helped to relieve some of their pre-vote anxieties.

Many Members have constituents who are caught in many different situations. Not only have those two constituents of mine already left—I am trying to persuade them to return to Scotland—but I heard yesterday from a local friend who is a mortgage broker and said that a couple who were due to buy their first home in Scotland withdrew at the last minute saying, “We’re EU citizens. We cannot take the risk of investing here when such uncertainty lies over us today.”

Stewart Malcolm McDonald: Does that put to bed the lie that the Government have a long-term economic plan?

Roger Mullin: I always thought that it was rather fanciful thinking on the Government’s part that they knew what a long-term economic plan might look like. We need not a long-term economic plan, but short-term and immediate action for every EU national who lives in this country.

One lady wrote to me in concern because her husband is from Denmark and is anxious about what will happen to them. She asked, “Will our family be split up?” These are anxieties and the Minister might say, “Well, some of those anxieties are ill-founded.” But the anxieties are not ill-founded if the Government lack clarity. If the Government decline to give the clarity and certainty they need, people’s uncertainty and their worries are perfectly legitimate. Minister, it is time to act. It is not too late: do the right thing, and do it now.

Mr Alistair Carmichael (Orkney and Shetland) (LD): On a point of order, Madam Deputy Speaker. I seek your reassurance. Resignations can come at a bewildering pace these days in Westminster, so can you tell the House whether we still have a Government Whips Office? For the bulk of the debate there has been only one Government Back Bencher in the Chamber. That used to be the job of the Government Whips Office. Have they given up?

Madam Deputy Speaker (Natascha Engel): That is not a point of order and we are running very short of time.

5.25 pm

Ian Blackford (Ross, Skye and Lochaber) (SNP): As always, it is a pleasure to follow my old friend the hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin). [HON. MEMBERS: “Young friend!”] He is young at heart.

The motion states that men, women and children should not be used as bargaining chips in negotiations on the UK’s exit from the EU. I want to associate myself with that statement. Many of us will have had conversations with worried citizens living in the UK who come from Europe. Last Friday in my constituency, I arranged to meet a French national, a teacher in a secondary school, who, like so many of those who have come to live in our country, is making a valuable contribution within our communities. She wants to stay here, but now feels deeply unsettled and frightened that she may not be in a position to remain in the longer term. The conversation I had, with my constituent explaining her fears and anxieties, will be replicated by many of the 173,000 EU citizens living in Scotland.

Where is our humanity to those living among us—our friends, neighbours and colleagues who are fearful as to whether they will have the right to remain here? That is why my colleague, Nicola Sturgeon, the First Minister of Scotland, is right to call on the UK Government to guarantee the rights of all those who are living here who are EU citizens. We have a moral and ethical right to enshrine the rights of those who are here legitimately. The Government could do this today. They should have the courage to extend the hand of friendship to those who are here and call this place home. Why would any Government want to cause unnecessary fear and alarm to those who are here legitimately? We should be saying, “You are welcome to stay on a permanent basis.” To do anything less is unacceptable.

The Home Secretary, a future potential Prime Minister of the UK, must make it clear that we recognise the right to remain for all EU citizens who are here. She could have participated in this debate today, put the record straight and allayed the fears of many EU citizens in our midst. Where is the Home Secretary?

Stewart Malcolm McDonald: The hon. Member for Colchester (Will Quince) tweeted that the Home Secretary is at a food-tasting event somewhere else in the Palace of Westminster.

Ian Blackford: The Home Secretary may be at a food-tasting event, but she has certainly left a bad taste in the mouth of many of us. Her comments on television last Sunday fell way short of the moral leadership she should be taking. The Home Secretary said:

“We’re still a member of the EU and the arrangements still continue, so there is no change to their position currently. But of course as part of the negotiation we will need to look at the question of people who are here in the UK from the EU”.

If that is not a bargaining chip, I do not know what is. That is precisely what the Home Secretary put across last Sunday. That was an alarming statement: EU citizens by definition being used as a bargaining chip in negotiation. Home Secretary, we are talking about people living among us who do not want to be used as pawns in a negotiation. What a shameful position to take! That is not the position of a leader; it is an abrogation of responsibility from someone who aspires to leadership.

In contrast to Nicola Sturgeon, who is providing leadership to EU citizens, the Home Secretary sees them as bargaining chips: leadership from our First Minister in Scotland, failure from Westminster.

Migrants make a valuable contribution to our country and are an important part of Scotland’s future, both in terms of contributing to sustainable economic growth and mitigating the effects of demographic change. I call on the Government to do the right thing today and give certainty to all our EU citizens. Fundamentally, from
those of us from Scotland, there is a very strong message: we voted to remain and the best way to protect the rights of our EU citizens is for Scotland to remain in the European Union.

5.29 pm

Emily Thornberry (Islington South and Finsbury) (Lab): We have had a full debate, albeit in a short period of time. We have heard a huge amount of passion, and the opinion of the House is quite clear.

We heard from my hon. Friend the Member for Ogmore (Chris Elmore) about a Polish care home worker being asked regularly by residents when they are going home. We heard from the hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin) about EU citizens being afraid to invest in his constituency. We learned during the speech of the hon. Member for Ross, Skye and Lochaber (Ian Blackford) that the Home Secretary is not in her place for this debate because, as was tweeted, she was busy enjoying a taste of Colchester.

I think the technical term is a “stonking speech”, and we heard it from my hon. Friend the Member for West Ham (Lyn Brown), who talked about a swastika with the word “Out” being daubed on tower blocks in her constituency. We heard from my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) that if the Home Secretary will not provide a guarantee, my right hon. Friend cannot reassure kids in the playground who are being told to “go home”.

We heard an important speech from my right hon. Friend the Member for Birmingham, Edgbaston (Ms Buck), who said that the Vote Leave campaign was clear on this issue—that no one would be sent back—and asked why the Government had not honoured that.

My hon. Friend the Member for Westminster North (Ms Buck) said that 36,000 EU migrants live in Westminster and that it was hard to overstate those people’s concern. The hon. Member for Central Ayrshire (Dr Whitford) explained the contribution of EU migrants to the NHS, while the hon. Member for Glasgow Central (Alison Thewliss) mentioned Glasgow’s slogan, “People make Glasgow”, and told us that a high proportion of her constituents are from the EU.

My hon. Friend the Member for Hammersmith (Andy Slaughter) said that 46% of his constituents were born outside the UK. If the Home Secretary could say what she did about EU migrants, my hon. Friend wondered what might be said next about anyone else. My right hon. Friend the Member for Leicester East (Keith Vaz) made it absolutely clear what we are calling for. He said that those here before 23 June must have certainty and he insisted that we cannot have different members of the Government saying different things.

We heard something from Conservative Members. I know that the hon. Members for South Cambridgeshire (Heidi Allen) and for Portsmouth South (Mrs Drummond) are both strong characters who are quite capable of making themselves clearly understood. It would be only fair to say, however, that while they made a contribution to the debate, they rather pulled their punches. They do not normally do so.

Great disappointment has been expressed about the Home Secretary’s rhetoric and the fact that she has not bothered to turn up yet again. She has effectively reduced 3 million of our friends and neighbours to little more than pawns in the negotiations. The Minister for Immigration has been called upon once again to deliver his services and to act as a shield for the Home Secretary. He has come here and done his best. He has provided a lot of rhetoric, claiming that the Government will work to guarantee the rights of EU citizens and that they are confident that the negotiations will be successful. However, he cannot say when these negotiations will happen or when people will be able to have their rights guaranteed. He says that he will guarantee those rights, but he wants to link them to the rights of British citizens living across the rest of Europe. That means that they are being used as bargaining chips. That is what it means.

Frankly, it is all very well for the Immigration Minister to say that these people can fully expect their legal status to be properly protected and that he is confident that it will be, but the problem is that he says this will happen only through reciprocal arrangements and that the Government could not support any attempt to pre-empt it. That is not enough for people to build their lives on. That is not enough for people to know that they can remain in the UK and be able to invest in our country, fall in love, work and continue to contribute to our country. That is not enough. We are ashamed, and the Minister should be ashamed. Three million people should not be treated in this way. They have come to this country in good faith.

It is quite simple. The Minister is able to get up today and clarify the position for those who have been here since before the referendum. It is wrong for the Government to say different things to all these people. We can see and we all know that there has been a rise in racism and attacks, so that people are feeling profoundly insecure. It is in the Minister’s hands to do something about it. He has a responsibility not only to fight back against the thuggish behaviour that we can see happening right now in our communities, but to provide more than just rhetoric. He can do something about this.

Conor McGinn (St Helens North) (Lab): Like me, my hon. Friend is both a British and an Irish citizen, and I think she understands the difficulty very acutely. Will she urge the Government to respect the reciprocal rights enjoyed by Irish citizens in the UK and British citizens in Ireland, and to make it clear that they, as well as the rights of all the other EU citizens who currently reside in the UK, will be absolutely guaranteed and protected?

Emily Thornberry: I thank my hon. Friend for making that point—and yes, I should declare an interest. I come from generations of EU nationals. Indeed, the Thornberry brothers built much of Camden. We have made a great contribution to this country, and of course we want the security of knowing that we can come into this country and remain here. We need that reassurance. The Irish need it, but the other EU citizens need it too. It is in the Minister’s hands to give us that reassurance, and he should do so.

This is not just an outrage in moral terms; it is also, in my view, a completely cack-handed negotiating strategy. Ministers suggest that they should not guarantee the rights of EU nationals in Britain until similar guarantees
We have debated an extremely important issue today: the legal status of EU nationals following the EU referendum just under a fortnight ago and the decision by the British people to leave the EU. The people we are talking about—the 3 million EU nationals—are our friends. They are our colleagues, the people we work with, the people whose children are at school with our children, and we recognise that they are people and they have lives and they do need to have certainty as soon as possible. But it is also clear that once we leave the EU there is a whole range of issues that will need to be addressed, one of which is the status of British nationals elsewhere in the EU and the status of EU nationals here.

Zac Goldsmith (Richmond Park) (Con): Will my hon. Friend give way?

Karen Bradley: I am afraid I will not give way as I have very limited time and I do want to make sure there is time for the next debate. I apologise to my hon. Friend.

As my right hon. Friend the Prime Minister said, those are the consequences of the decision to leave the EU. It is not something we have shied away from; we were clear in advance of the referendum that it was an issue. The Prime Minister has also made it clear that decisions on issues relating to the UK’s exit from the EU will need to be made by a new Prime Minister.

Having listened to this debate today, there are three key points I want to make and on which we can all strongly agree. First, there is absolutely no question of EU nationals’ status or circumstances changing while the UK remains a member of the EU. I have heard Members’ contributions and the concerns of EU nationals about their status, including EU nationals in my constituency.

Zac Goldsmith: Will my hon. Friend give way?

Karen Bradley: My hon. Friend has not been in the debate and I need to make sure there is time for the next debate.

Let me be clear: EU nationals can live, work and study here in the UK under the existing arrangements. They are able to be accompanied, or joined by, family members, and after five years’ lawful residence they automatically acquire and benefit from a permanent right of residence in the UK. Once they have resided here for six years, they are also eligible to apply for citizenship. I know all will agree that it is vital that we make this clear and provide reassurance in our constituency surgeries and wherever else we are asked this question. May I also ask that we do not use this for party political point scoring? We should not be frightening people. They have a right to remain, and after five years’ lawful residence they automatically acquire and benefit from a permanent right of residence in the UK.

We are an open and welcoming nation and we do not want to create an air of uncertainty, but this is complicated and wider than just the right to live here, and as the hon. Member for Central Ayrshire (Dr Whitford) said, it is about the rights acquired under the EU treaties. This is a complicated point and it will take time to address.

This brings me to my second point. Hate crime of any kind must be confronted and tackled. It has absolutely no place in our society. I have been appalled to hear about some of the incidents that have taken place in the
[Karen Bradley]

last couple of weeks, and I am clear that nobody should be made to feel unwelcome in the country they call their home. I encourage all victims of hate crime to report it to the police, either at a police station, by phoning the 101 hotline or online through the True Vision website.

As I made clear in my statement to the House last week, we are taking steps to boost the reporting of hate crime and support victims, and we are providing a new fund for protective security measures at potentially vulnerable institutions and also offering additional funding to community organisations so they can tackle hate crime.

Our country is a strong multicultural and diverse nation. The rich coexistence of people of different backgrounds, faiths and ethnicities makes it the thriving and successful country it is. This is something we must treasure and strive to protect, and we must not allow those who seek to promote hatred and division in our communities to succeed.

Finally, I am pleased to note that we all agree that steps must be taken to guarantee the legal status of EU nationals, as the motion says, “with urgency”. This House feels strongly about this issue and that is testament to the invaluable contribution made by EU nationals to the UK economy and our communities. This is welcome and to be embraced now and in the future.

Zac Goldsmith: On a point of order, Mr Speaker. My hon. Friend is making some strong points about the rise of racist incidents over the last few weeks, but it is important to emphasise that there is absolutely no prospect at all of any Government of any party repatriating European migrants who are living and working in this country. I beg the Government to provide the reassurance that millions of people are looking for—if not today, then soon. It really is a very simple point.

Mr Speaker: That is not a point of order, but the hon. Gentleman has put his point on the record and the Minister is welcome to reply if she wishes and not if she does not.

Karen Bradley: I will just say that if my hon. Friend had heard the opening statement from my right hon. Friend the Minister for Immigration, he would have heard that point at that stage.

We fully expect that the legal status of EU nationals living in the UK and of UK nationals in EU member states will be properly protected, but we must not forget our duty to UK citizens who have chosen to build a life in an EU member state. Addressing that issue is a priority that we intend to deal with as soon as possible. As my right hon. Friend and I have said, it is a complicated matter with a range of considerations and detailed work is needed to examine the full range of circumstances of EU nationals and to ensure that any decisions taken have no unforeseen or unintended consequences.

I want to give some examples from today’s debate. What I heard from the Opposition Front Bench was that anybody who was here on 23 June has automatic rights and that that will be the cut-off date. If someone arrived on 24 June, however, would the points-based system of the right hon. Member for Birmingham, Edgbaston (Ms Stuart) apply to them? Would they be repatriated? Is it the case that somebody who arrived on 24 June is no longer attracted to staying in the UK? This is a really complicated matter, and we must ensure that we get it right.

Emily Thornberry: Will the hon. Lady give way?

Karen Bradley: I am sorry, but I want to make some progress. I did not intervene on the hon. Lady.

In conclusion, EU nationals can have our full and unreserved reassurance that, whether they arrived on 22 June, 23 June or 24 June, there has been no immediate change to their right to enter, work, study and live in the UK as a result of the EU referendum. I would like to reassure EU citizens up and down the country that we recognise the huge contribution that they make to our economy, our health service, our schools, our care sector, our communities and in so many other ways. We will act fairly towards them just as we expect other EU countries to act fairly towards our citizens living there.

However, as has been set out today, any decision to pre-empt our future negotiations would risk undermining our ability to protect the interests of EU and British nationals alike and to get the best outcomes for both. We will look to secure the best deal for EU citizens just as we will seek to secure the best deal for British citizens in the EU. That is the responsible approach and that is what we will do.

Question put.

The House divided: Ayes 245, Noes 2.

Division No. 36] [5.48 pm

AYES

Abbott, Ms Diane
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Allin-Khan, Dr Rosena
Anderson, Mr David
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Barron, rh Kevin
Beckett, rh Margaret
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, Ian
Blackman, Kirsty
Blackman-Woods, Dr Roberta
Blenkinsop, Tom
Blomfield, Paul
Boswell, Philip
Bradshaw, rh Mr Ben
Brake, rh Tom
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Burnham, rh Andy
Butler, Dawn
Byrne, rh Liam
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carswell, Mr Douglas
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Cherry, Joanna
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Coyle, Neil
Crausby, Mr David
Creasy, Stella
Cruden, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
David, Wayne
Davies, Geraint
Day, Martyn
De Piero, Gloria
Docherty-Hughes, Martin
Dodds, rh Mr Nigel
Donaldson, Stuart Blair
Doughty, Stephen
Dowd, Jim
Dowd, Peter
Dromey, Jack
Mr Speaker: Just before we proceed to the second of the Opposition day debates, I move to say to the Under-Secretary of State for the Home Department, the hon. Member for Staffordshire Moorlands (Karen Bradley), that it was typically gracious and kind of her to say that she was pleased to see me in the Chair. Perhaps I could say that the sentiment is reciprocated—I was highly delighted to see her at the Dispatch Box. I would of course be so in any circumstances, but especially now as I come to the Chamber having just celebrated with some enthusiasm the truly stunning comeback victory at Wimbledon of my all-time tennis hero, Roger Federer, who saved three match points before getting through to the semi-final for the 11th time. The hon. Lady will understand why I am in such good spirits.

Resolved.

That this House notes that there are approximately three million nationals of other EU member states living in the UK; further notes that many more UK nationals are related to nationals of other EU member states; rejects the view that these men, women and children should be used as bargaining chips in negotiations on the UK’s exit from the EU; and calls on the Government to commit with urgency to giving EU nationals the right to remain.
NHS Spending

6.2 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): I beg to move,

That this House notes that the Vote Leave group during the EU referendum campaign claimed that an extra £350 million a week could be spent on the NHS in lieu of the UK’s EU membership contribution; further notes that senior figures who campaigned, including the hon. Member for South Northamptonshire, the hon. Member for Uxbridge and South Ruislip and the Rt hon. Member for Surrey Heath have subsequently distanced themselves from that claim; and calls on the Government to set out proposals for additional NHS funding, as suggested by the hon. Member for South Northamptonshire on 4 July 2016.

It is a pleasure once again to face the Secretary of State for Health.

Nobody can doubt that much of the case that was made by the Vote Leave EU campaign was based on assertions that have since crumbled. For instance, within hours of the vote to leave the European Union, the Tory MEP, Daniel Hannan, said that taking back control of immigration did not necessarily mean cutting it. That will have been news to millions of people who voted to leave.

We also heard that there was no hurry to get on with leaving the EU. Why then the urgency of the campaign? The most striking reversal of all came from Nigel Farage. Within hours of the vote, he said that it was a mistake for the Vote Leave campaign to claim that leaving the EU would mean £350 million a week more for the NHS. Some of us were surprised by that, because this was no ordinary campaign slogan; it was painted on the side of the Vote Leave battle bus, which travelled thousands of miles up and down the country. It was emblazoned on the backdrop to speeches by the luminaries of the Vote Leave campaign. The British public is entitled to ask: where is the serried ranks of leave campaigners expected to put that new money into our NHS? We all know about the financial and other pressures already facing the NHS.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): Does my hon. Friend not think the public are also entitled to ask where the serried ranks of leave campaigners are today?

Ms Abbott: My hon. Friend makes an important point. I do not see a single solitary leave campaigner in the Chamber this evening. It makes me wonder what the whole campaign was about. Was it about their egos? Was it some elaborate Eton wall game? Are they not concerned that the public may have been misled?

As I was saying, we know about the financial pressures already facing the NHS. A survey by the Healthcare Financial Management Association of 200 NHS finance directors in hospitals and clinical commissioning groups reveals that no fewer than one in five believe that the quality of care will worsen in 2016-17, and even more of them—one in three—fear that care will deteriorate in 2017-18 as a result of financial pressures. Waiting times, access to services and the range of services offered were seen to be among the most vulnerable areas. There is no doubt that those pressures will be made worse when we leave the European Union.

Keith Vaz (Leicester East) (Lab): I begin by congratulating my hon. Friend most warmly on her appointment as the shadow Secretary of State for Health. We miss her on the Back Benches, but we are delighted that she has reached the dizzy heights of the shadow Cabinet.

One place where we are feeling the pinch is in diabetes. We have had a number of reports that the DESMOND and DAFNE—diabetes education and self-management for ongoing and newly diagnosed, and dose adjustment for normal eating—schemes to provide structured education for type 1 and type 2 diabetics, are being cut. Does my hon. Friend agree that prevention is so important that we should ring-fence resources to deal with the crisis affecting diabetics?

Ms Abbott: I am grateful to my right hon. Friend for making that important point. We are seeing pressures on public health services and expenditure across the piece. What he says about ring-fencing money for diabetes is very important and I support him.

The Health Foundation think-tank says that “Leading economists are...unanimous in concluding that leaving the EU will have a negative effect on the UK economy”.

As a result, the NHS budget could be fully £2.8 billion lower than currently planned by 2019-20. In the longer term, the NHS funding shortfall could be at least £19 billion by 2039, equivalent to £365 million a week—and that assumes that the UK is able to join the European economic area. If that does not happen, the shortfall could be as high as £28 billion, or £540 million a week.

Those figures are not just numbers in a ledger. We know what poor care means in practice. Today’s Care Quality Commission report on North Middlesbrough University Hospital revealed a series of terrible incidents: an evening on one ward was available for more than 100 patients; a patient left sitting on a bedpan for more than an hour; and a patient who lay dead in A&E for four and a half hours before being found. We can foresee similar consequences in other hospitals if pressures bear down on the NHS budget, not only because of all sorts of externalities, but because of our leaving the EU.

We know about the endemic problems in the NHS. Earlier today, we discussed the junior doctors rejection of the Government’s new contracts. We know that nurses and midwives are in uproar because of the Government’s plan to scrap the bursaries that would-be nurses and midwives rely on when they are studying. A fresh injection of cash, as promised by the Vote Leave campaign, could not be more timely.

While we are talking about the implications of Brexit for the NHS, I remind Members that any restrictions on freedom of movement—a subject that is being discussed extensively in the wake of the Brexit vote—will be little less than disastrous for the NHS: 55,000 men and women in its workforce originate from the EU. It would be completely catastrophic for social care: 80,000 men and women out of 1.3 million workers in that field are EU nationals.

I represent a constituency that voted strongly for remain—I think that Hackney had the second highest remain vote in the country—and I believe that a remain vote was in the best interests of the UK, but as we heard earlier today in the House, there has been a horrifying upsurge in racist abuse and hate crime, triggered by the Brexit vote. It is as if people now have permission...
to be openly racist. It is interesting that Vote Leave supporters are now distancing themselves from anti-immigrant politics, but the unpleasantness unleashed by the Brexit campaign is already poisoning public discourse. However, I believe strongly in democracy, so I believe that we have to respect the referendum vote. In many cases, it was a cry of pain and rage against Westminster elites, on which we all have to reflect.

The late Member for Chesterfield, the right hon. Tony Benn, who was an opponent of the EU to his dying day, said:

“My view of the EU has always been not that I am hostile to foreigners but I am in favour of democracy."

I respect those people who voted to leave. My experience of the EU campaign is that people wanted information, were trying to compare competing claims, and were doing their best to exercise their right to vote responsibly. The turnout was high. Nobody wants to think that the Vote Leave campaign peddled deliberately bogus slogans. I speak on behalf of not just Labour Members, but the British voting public as a whole. At a time when money was never more needed for the NHS, when can we expect to see the £350 million a week extra for the NHS that the Vote Leave campaign promised would be a consequence of the Brexit vote—or was it deceiving the public?

6.12 pm

The Secretary of State for Health (Mr Jeremy Hunt): Perhaps I will cut down my speech a bit. I give a particularly warm welcome to all my Back-Bench colleagues here; it is wonderful to see them coming out in support in such numbers. I thank the shadow Health Secretary for calling this debate. She is right to talk about the health consequences of the Brexit vote—or was it deceiving the public?

Ms Abbott: rose—

Dr Philippa Whitford (Central Ayrshire) (SNP): If the Vote Leave campaigners brought down the figure that they thought could potentially be given to the NHS, why did they not repaint the wording on the bus?

Mr Hunt: That is, perhaps, not a question for me as a Government Minister to answer, but I take the hon. Lady’s point. I give way to the hon. Member for Central Ayrshire (Dr Whitford).

Dr Whitford: My question has already been answered.

Mr Hunt: The point that many of us made in the referendum campaign is that even the net figure—the more like £100 million net contribution that we make to the EU—is not a figure that we can bank on with any certainty because, even if it did materialise after an exit from the EU, it would be negated by the very smallest of contractions in the economy, which would itself reduce the tax base and the amount of public spending available. The Institute for Fiscal Studies said that that £100 million a week would be negated by a contraction in the economy as small as 0.6%. I do not think any of the economic forecasts said that the contraction would be as small as that; all of them said that it would be much bigger than that.

Mr Jamie Reed (Copeland) (Lab): I share the right hon. Gentleman’s concerns about—with your permission, Mr Speaker—the lie on the side of the bus. As Secretary of State for Health, will he now, on behalf of the whole country, and particularly on behalf of people who were deceived and let down by that claim, take up with the Electoral Commission why that lie was allowed to stand for so long?

Mr Hunt: I understand the hon. Gentleman’s concerns. Let me give him a challenging reply. The trouble that we have—those of us who disagree with the outcome—is that that issue was exhaustively debated and, for whatever reason, people chose to disbelieve our concerns or decided that they were not worried about it.

I understand why the shadow Health Secretary has brought the motion before the House, but the reason it is a difficult one to debate is that essentially the argument about the £350 million, or the £120 million, or the £100 million is dependent on the state of the economy. That is something that we cannot know now, only 12 days after the Brexit vote result. However worried we are about the impact of that vote, in discussions about the economy we have to be careful not to talk it down, because in the end we have a responsibility to recognise that there may be opportunities and we need to make the most of the ones that exist.
Mr Bailey: I understand the point that the right hon. Gentleman is making. On the other hand, I believe the Treasury has downgraded our prospective growth rate from 2% to 0.5%. Presumably, future spending plans will be based on that revised future growth rate. Is it not reasonable, therefore, to start making the assumptions that he has been wary of making so far?

Mr Hunt: It is perfectly reasonable to make the assumptions that the hon. Gentleman mentions, and there are plenty of reasons why we could look at some of the early impact on the economy even in the past 12 days and be concerned about the potential impact on the tax base and public spending more broadly. My nervousness as a Minister about talking those things up is that I do not want to talk down the British economy. Even though, as I say, I campaigned against the Brexit vote, I recognise that we are now going to leave the EU, I want the economy to be successful and I want us to make the most of the opportunities that face us.

On the broader issue of NHS funding, this debate indicates that there is some consensus—the Prime Minister mentioned this earlier today at Prime Minister’s questions—on the umbilical link between the health of the economy and the amount we are able to spend on the NHS. We are proud of the fact that we were able to protect spending in the last Parliament and to increase it by £10 billion in this Parliament on the back of a growing economy. Given that Health is the second biggest spending Department, we must recognise that it is vital to the NHS that we maintain that growth, despite the choppy period we are possibly about to go through.

Mike Weir (Angus) (SNP): I understand what the Secretary of State is saying about the health of the economy, but this debate also links to the previous debate because of the number of EU nationals who work in the health service. Has he made any estimate of the cost to the health service if all these EU nationals were forced to leave the UK in the course of this Brexit?

Mr Hunt: We are currently doing the analysis the hon. Gentleman is concerned about, but I should just say to him that I accept the Home Secretary’s assurance and confidence that we will not end up in a situation where EU nationals, upon whom we absolutely depend in the health and social care system, and who do an absolutely outstanding job, would not be allowed to remain in the UK. She has said she is very confident that we will be able to negotiate a deal whereby they are able to stay here as long as they wish and to continue to make the important contribution they do, and I accept that assurance.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): Further to the point made by the hon. Member for Angus (Mike Weir), will the Secretary of State give the House an assurance that he will release that analysis and that it will be sufficiently comprehensive to allow us to see a regional breakdown of the significance of EU nationals working in our health service?

Mr Hunt: I will take away the hon. Gentleman’s request, and I will, of course, try to be as transparent as possible with Parliament about all the analysis and research we do on these topics.

Mr Jamie Reed: On the point my hon. Friend the Member for Harrow West (Mr Thomas) has just made about having an assessment if we do end up, essentially, forcibly repatriating EU citizens in the United Kingdom, there will of course be a flip side: something like 3 million British expats in the EU would have to return to the UK as well. Many of them are, to put it politely, of pensionable age, with challenging health demands in many regards. Will the Secretary of State also provide an assessment of what effect that would have on the national health service?

Mr Hunt: I am sure that that is analysis we can do, but I cannot do it at the Dispatch Box as a direct response to the hon. Gentleman. However, as I am sure he is well aware—we made this point during the whole Brexit referendum debate—we have reciprocal health arrangements with other EU countries at the moment. Those are immensely convenient to people travelling to and visiting other European countries, because they mean those people can access healthcare completely free of charge. The bill is actually sent to the Government, and that arrangement includes pensioners who have retired to Spain and France and Italy as well. It would be very sad if, as a result of the new relationship with the EU, we lost that convenience. That is one of the reasons why I am confident that other EU countries will be happy for British pensioners to remain in them. As long as those countries are able to charge us for the healthcare costs, the burden to them should be minimal.

Dr Rosena Allin-Khan (Tooting) (Lab): The Secretary of State spoke about NHS spending. Does he agree that cuts to local government spending on social care are putting increased financial pressures on the NHS? At St George’s hospital, a cost of £1.3 million has been attributed to inefficient discharges.

Mr Hunt: First, may I welcome the hon. Lady to her place as a doctor and as someone who knows a great deal about NHS matters? Although I am sure we will not agree on every health matter, it is always valuable and a great asset to have someone with medical experience in the House, and I am sure she will make a huge contribution in that respect. She is absolutely right to say that what happens in the social care system has a direct impact on what happens in the NHS, and that we cannot—as, in fairness, happened under Governments of both colours over many years—look at the NHS and the social care system as completely independent systems when we know that inadequate provision in the social care system has a direct impact on emergency admissions in A&E departments. She is right to make that point.

Let me make a broader point in concluding my comments. I think that there would be agreement across this House on the huge pressure on the NHS frontline at the moment, and that there is recognition of some fantastic work being done by front-line doctors and nurses to cope with that pressure. I shall give a couple of examples of the extra work that is happening, compared with six years ago. The A&E target is to see, treat and discharge people within four hours. Every day, we are managing to achieve that, within the four-hour target, for 2,500 more people than six years ago. On cancer, we are not hitting all our targets, but every single day we
are doing 16,000 more cancer tests, including 3,500 more MRI scans, and treating 130 additional people for cancer. There are some incredible things happening.

However, we all recognise, and this perhaps lies behind the Opposition’s concerns in bringing this motion to the House, that in healthcare we now deal with the twin challenges of an ageing population, in that we will have 1 million more over-70s within the next five years—a trend that is continuing to grow—and of the pressure of scientific discovery, which means we have new drugs and treatments coming down the track. They are exciting new possibilities but also things that cost money. I for one, as Health Secretary, believe that as soon as economic conditions allow, we will need to start looking at a significant increase in health funding. That is why it is incredibly important, as we go through the next few years negotiating our new relationship with Europe, that we work very hard to protect the economic base that we have in this country, the economic success that we have started to see, and the jobs that do not just employ a lot of people but create tax revenues for this country. It is incredibly important that we pilot the next few years with a great deal of care, because what happens on the economy will have a huge impact on the NHS.

Mr Gareth Thomas rose—

Mr Hunt: I have almost concluded, but I will give way one last time.

Mr Thomas: I am grateful to the right hon. Gentleman for giving way, and, if he will forgive me for saying so, I am very fond of him as a result, because he is allowing me to raise a particular constituency concern. Northwick Park hospital, which serves my constituents, currently has a deficit of almost £100 million and is having to axe 140 staff posts as a result of the lack of funding for my local clinical commissioning group, by comparison with other parts of London. Will he undertake to look specifically at the issues facing Northwick Park hospital and Harrow clinical commissioning group as his further analysis of the need for additional spending in the NHS is taken forward?

Mr Hunt: I am very happy to do so. I have visited that hospital, where the challenges very much reflect what the hon. Member for Tooting (Dr Allin-Khan) said about links to the social care system. It was clear to me that the staff in the A&E department are working incredibly hard getting people through it, but struggling to discharge people from the hospital, which is why they were not hitting their target.

I have just been handed a note by a ministerial colleague, Mr Speaker, which I hope you will indulge me and let me read out, because I have never been handed such a note before. It says: “Apparently everyone wants to go and watch Wales play, so Whips happy if you felt you wanted to shorten your remarks.” On that basis, I will conclude by thanking the shadow Health Secretary for bringing this motion to the House and for her comments in support of it.

Mr Speaker: The right hon. Gentleman is not only an experienced member of the Cabinet but a very seasoned parliamentarian, and I think he is well attuned to the feeling in the House, as I am sure that other colleagues will now also be—not that I am hinting or anything.

Dr Philippa Whitford (Central Ayrshire) (SNP): God, the pressure.

We recognise that this figure of £350 million a week chimed with people in the country, because people are concerned about the funding of the NHS. The Secretary of State for Health talks about an extra £8 billion going forward, plus the additional £2 billion that was added to that, which was for bailing out massive debts. However, that is a change of description. Normally, funding is described as being for the Department of Health, but that is just NHS England. Public Health England and Health Education England were facing cuts of £3.5 billion. Therefore, the extra money going forward is only £4.5 billion. We have heard Members talk about their local trusts being in deficit. This is now so widespread, it cannot be blamed on management.

Despite the fact that the NHS somehow always managed to come out just in the black up to April 2013 and has been careering into the red ever since, the Secretary of State never seems to accept that this is to do with the Health and Social Care Act 2012 changes and the huge administration costs of outsourcing and fragmentation. The Secretary of State lays the blame for all this with agency staff.

Given the debate that we have just had on EU nationals working in this country, particularly in our public services, I have to say that we could be facing an absolute meltdown. We have 50,000 nurses and doctors from the EU in the NHS, and almost 80,000 careworkers. The Minister for Immigration hinted that those who have been here for over five years can stay, but that their benefits and rights may not be quite the same. So my husband, who is from Germany, can stay, but is his pension going to disappear? He has worked here for 30 years, but what protections will he no longer have? What about the people who have been here for less than five years—the high-flying researchers, academics or medics—who could go somewhere else? Do the Government really think that these people are just going to sit at home with their families until the last possible minute? No, we are going to lose them, and agency costs for nurses and doctors will go through the roof. For social careworkers, it will not matter: they do not earn over £35,000, so they are unlikely to get to stay, and we are unlikely to be able to replace them.

As well as the fact that the £8 billion we always hear about is not actually £8 billion, we know that local government has faced huge cuts and, as was referred to earlier, that social care is where the real problem lies. The NHS money is just going to haemorrhage out the back door.

The £350 million a week figure that was painted on that bus was a disgrace. The shadow Health Secretary, the hon. Member for Hackney North and Stoke Newington (Ms Abbott), talked about it being an Eton game, but I think that it was an Eton mess. People were just playing with the facts. The rebate was not included. Public service payments, such as the common agricultural policy and regional funds, were not included. However, as the Secretary of State says, when we get down to the £110 million or so a week, that does not include all the other benefits that support the NHS and our economy. How much will it cost us to take part in Horizon 2020? How much does Switzerland have to pay to be part of this?
go and the banks would go, and that we would have no money and no food to buy, but a negative campaign of saying that the sky will fall does not lead to success.

Mike Weir: Does my hon. Friend agree that difference was that the yes campaign in Scotland came forward with a positive vision to combat “Project Fear”, but that was totally lacking in the EU referendum?

Dr Whitford: I thank my hon. Friend for that remark. If we had spent more time reminding people honestly of what the EU has brought us, which includes all the people who have been working in our health and social care services, we might have helped them to realise that we have been gainers, not losers.

Andrew Gwynne (Denton and Reddish) (Lab): The hon. Lady is absolutely right in the case that she is setting out. Is not part of the reason why people voted the way they did because they actually wanted to give additional money and resources to an NHS and social care system that has been badly starved of cash? That is particularly true of social care. People have seen their elderly relatives being unable to get the help, the aids and the adaptations that they need in the home, which piles pressure on to the NHS. They wanted the NHS to have that cash.

Dr Whitford: I totally agree. Of course, we all want the NHS to have more money. It is the United Kingdom’s single most prized possession and creation. The problem is that we did not counter the argument that it was struggling because people from the EU/ were taking up the appointments and the beds. EU nationals are much more likely to be looking after us than to be standing in front of us in the queue. There is an absolute responsibility on us all, particularly on the missing members of the leave campaign. This is very much a case of a big boy doing it and running away—very, very quickly.

Andrea Jenkyns (Morley and Outwood) (Con): As somebody who was in the leave campaign, I think it is important that we remember that we worked across parties on it, whichever side we were on. In Yorkshire, I worked with colleagues from the Green party, the Labour party and UKIP, although I did not work with the SNP. We must make sure that we start talking Britain up; members on both sides of the House need to pull together and talk Britain up. At the end of the day, both sides could have handled this better.

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Before the hon. Member for Central Ayrshire (Dr Whitford) answers the intervention, I must remind the House that this debate is not about the EU campaign. We are talking specifically about the NHS. I understand that the hon. Lady was—perfectly reasonably—using examples, but we must not stray any further.
Dr Whitford: I totally agree. It is just that the paucity of the debate has allowed such an inaccurate figure to endure.

We are where we are. Going forward, we need to look at the realities and what the economy will allow. But there are challenges. I ask the Secretary of State to speak to his colleague in the Home Office and try to deal with the issue of EU nationals working in the NHS. The cost of replacing them with agency staff will be absolutely crippling.

6.41 pm

Joan Ryan (Enfield North) (Lab): I am pleased to follow the hon. Member for Central Ayrshire (Dr Whitford) and agree with many of her points.

I share concerns expressed about the misleading statements made on the national health service during the EU referendum campaign. Many of my constituents who voted to leave were swayed by the pledge that a future outside the European Union could result in £350 million extra every week being invested in our NHS—and if not £350 million, then £120 million would do very nicely at the moment and make a big difference. Whether they voted leave or remain, people feel very disillusioned with such misleading statements.

The breathtaking speed with which prominent figures from the leave campaign have backtracked on that promise shows how hollow their words really were. People on both sides of the debate are upset and angry about what has happened. They understand that our hospitals, doctors and nurses need better support and more investment. I therefore fully support the motion.

Andrea Jenkyns: I completely agree with the right hon. Lady that we need more investment, but does she agree that the Government are right to point out that we have invested an extra £8 billion in the NHS already?

Joan Ryan: If the hon. Lady looks at my constituency she will see a perfect storm when it comes to health funding. We are underfunded in public health, in social care, in primary care and in acute care. She can come up with whatever figure she likes, but the experience on the ground is that we are suffering very badly.

I will come on to talk about the Care Quality Commission report, out today, on our hospital. I do not know whether the hon. Lady has seen it, but if she wants to talk about increased spending, I suggest she look at that report. What it says about what is going on in an acute care hospital is unprecedented.

Mr Jamie Reed: Two of the prominent leave campaigners who endorsed the £350 million figure are now running to be leader of the Conservative party and our future Prime Minister. Does my right hon. Friend agree that those two people should be brought to this House and made to explain to the country just where they will get the £350 million from?

Joan Ryan: I absolutely agree. Nothing makes the public feel more disillusioned and separated from the political and democratic process than to be given promises by politicians who, once the public have given their vote to them, walk away from those promises. That is not acceptable.

Karin Smyth (Bristol South) (Lab): Does my right hon. Friend accept that as well as the £350 million promise, the issue of access to GP primary care appointments caused a lot of anxiety in many communities? That is the fault not only of the funding situation but of the way in which primary care has been run down in the past six years.

Joan Ryan: The lack of primary care—particularly in London but also elsewhere—is a key factor behind the huge pressures on our accident and emergency departments and urgent care. No wonder people go there when they cannot get an appointment.

Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP): It takes four years to train a nurse and five years to train a doctor, but the divorce proceedings triggered by article 50 will be done in two years. It clearly presents a critical problem for NHS funding if staff leave when the UK leaves the EU.

Joan Ryan: As we have heard, Brexit will present us with many problems, particularly with health care provision. Not only are we not getting large sums of money, but we will actually be worse off. We will face many challenges because of that decision, and if the promise of £350 million led people to vote in a particular way that will undermine the funding we receive, that is a desperate state of affairs.

People feel badly let down by the leave campaign’s empty pledges on the NHS over the past few months, and residents in Enfield are deeply disenchanted by the Government’s failure to fulfil their recent promises to our local health service. Before the 2010 general election, the then Leader of the Opposition—actually, he was then Prime Minister of the coalition Government—stood outside Chase Farm hospital in my constituency and vowed to protect its A&E and maternity units. By 2013, his Government had shut both departments. Many of us warned at the time that closing Chase Farm’s A&E department would put huge strain on other local health services, including North Middlesex University Hospital NHS Trust, which is the subject of the CQC report that I referred to earlier. We were right, and almost three years since the decision to close Chase Farm’s emergency department, the NHS in Enfield has reached breaking point.

Earlier today the Care Quality Commission published its report into the standard of care at North Middlesex hospital, following a spot check by its inspection team in early April. It found that the closure of Chase Farm’s A&E has led to significant increases in patient numbers attending the emergency department at North Mid. Despite being one of the busiest A&E departments in the country, North Mid’s urgent and emergency services have been graded as “inadequate”, and patient safety has been compromised. Patients who arrive at the emergency department are not seen quickly enough by clinical staff, and they are waiting too long to be seen by a doctor. Some blue-light patients are being brought in, and hard-pressed nurses are dealing with them because no doctor is free to treat them.

Mr Gareth Thomas: My right hon. Friend is making a strong case for her constituents and their hospital. Does she recognise that although the situation she
[Mr Gareth Thomas]

describes at North Middlesex hospital is particularly bad, such things have also been witnessed in many other parts of London, not least in north-west London where the London North West Healthcare NHS Trust has shut an accident and emergency department at Central Middlesex hospital? As a result, there has been a big increase in pressure at Northwick Park hospital, which serves my constituents.

Joan Ryan: Absolutely. North Middlesex is just the first hospital to reach absolute crisis point, but I am well aware that other hospitals, particularly in outer London, are heading down a similar path and facing real difficulties. If we consider A&E waiting times, we see that hospitals are sliding into that difficult scenario.

Junior doctors and trainees have been left unsupervised in North Middlesex hospital’s A&E department at night, without competent senior support—in fact, no consultant has been available from 11 o’clock onwards. My hon. Friend the Member for Hackney North and Stoke Newington (Ms Abbott) referred to such cases. In one instance, one commode was available for 100 patients in the whole of the emergency department. Staff raised concerns about the lack of vital medical equipment, including missing leads for cardiac machines so they could not get an instant read-out. Trolleys in the resuscitation area lacked vital equipment. There was an oppressive, overbearing culture at the hospital that meant staff did not feel confident in raising concerns, and they even stopped reporting incidents of staff shortages, as management had not responded to them in the past.

The CQC report reinforces the findings of Health Education England and the General Medical Council. At a high-risk summit in May, the GMC threatened to withdraw junior doctor post-graduate trainees if the numbers of A&E staff and middle-ranking doctors and consultants were not increased. That would effectively close the busiest emergency department in London. This is an unprecedented situation. The future of North Mid A&E has been put at risk. Even medical trainees at the hospital are not prepared to recommend the A&E for treatment to their friends and family. In interviews with Health Education England, they said that that was “because they felt the department was unsafe.”

My constituents have had to suffer the consequences of shocking mismanagement and a lack of leadership at North Mid. The chief executive is now on leave and I understand she is stepping down. Although there is a lack of leadership, she cannot be held solely responsible for what has happened. The Prime Minister and the Health Secretary have told us repeatedly that the NHS is safe in their hands, yet huge pressures have been placed upon North Mid due to a lack of central Government funding. Patient care has suffered further as a direct result of the hospital not having enough equipment, consultants, doctors and nurses. It has had to spend large parts of its budget on locums and agency nurses.

What is the Government’s solution to ensuring that hospital departments, such as those at North Mid, do not remain dangerously understaffed? Is it to divert a large amount of funding to help to solve this situation and put patients first? No: they decide to go to war with junior doctors over their contracts and abolish NHS bursaries for student nurses, while we have hospitals going abroad to try to recruit staff. That is an insult to dedicated professionals who deserve our admiration, respect and support. The Government’s actions will discourage the future frontline staff we so desperately need.

The NHS is facing a huge financial challenge, so a commitment to spend an extra £350 million a week, or even £120 million a week, on the NHS in lieu of our EU membership was clearly a very attractive offer to our constituents. NHS England needs to plug a funding gap of £30 billion a year by 2021 and a few months ago it was revealed that nearly every hospital in the country was in deficit. We are obviously not going to get £350 million or £120 million a week and I think that that was always known by the leave campaigners. In fact, the Government are seeking to suck out £5 billion in savings through the sustainability and transformation programme. I know that savings and efficiencies, particularly in back-office services, can and must be found, but not at the expense of patient safety.

My hon. Friend the Member for Lewisham East (Heidi Alexander), the former shadow Health Secretary, warned that the scale of savings required could “not be delivered without putting patient care at risk... These ‘efficiencies’ will mean cuts to staff, cuts to pay, rationing of treatments. And it will be patients who suffer.”

Her analysis is spot on. We have witnessed the disastrous effects of this course of action in Enfield. We need more investment in North Middlesex University hospital, and in the NHS in general, not less. I join my parliamentary colleagues on the Labour Benches in calling on the Government to increase spending on our NHS. It is most regrettable that, given the urgent need for more funding and the very real and justifiable concerns of people in Enfield, they should have been led to believe Brexit could possibly mean major new funding for the NHS.

In closing, I think I corrected myself wrongly. In the run-in to the 2010 general election, the current Prime Minister was, of course, the Leader of the Opposition, and he made a promise to keep our hospital open, which, when he became Prime Minister, he then closed. That kind of behaviour is very similar to what the leave campaigners did in promising money that does not really exist. It is hoodwinking the voter and it is not acceptable. It desperately undermines the voters’ faith in politics and democratic processes.

6.55 pm

Mr Jamie Reed (Copeland) (Lab): Before I begin, may I apologise to you, Madam Deputy Speaker, and the House authorities for posting a picture of this Chamber on the popular social media and networking site Twitter? Its purpose—it has now been removed—was purely to demonstrate that, at the point of taking the picture, only two Conservative MPs were in the Chamber and both were Ministers. The other point I would like to make before moving on is how much, as a bereft supporter of the English national football side, I am looking forward to cheering on Wales in what I hope will be a victory against Portugal this evening.

The Cumbrian health economy is experiencing the most prolonged period of intense pressure, strain and threat that it has ever faced.
Madam Deputy Speaker (Mrs Eleanor Laing): Order. Before the hon. Gentleman gets into the body of his speech—I do not want to interrupt his argument—I want to thank him for the point he made and for his immediate action in removing the picture that he had tweeted. For the avoidance of doubt, it is simply not allowed, but as soon as he realised that he had done something that was not allowed, he acted immediately, and I thank him for doing so.

Mr Reed: That is greatly appreciated, Madam Deputy Speaker.

Despite the dedicated and incredible efforts of local NHS staff in my constituency, I see health inequalities on a daily basis, and many of my constituents experience profound access challenges to health services in my constituency and elsewhere across Cumbria, caused in part by our inadequate transport infrastructure, but also by a clearly insufficient profile of investment in local services. So far, I am afraid to say, my calls for improvement have fallen upon deaf ears.

In north and west as well as east Cumbria, we are currently subject to the ongoing success regime process. Funding for the important second phase of the West Cumberland hospital has not yet been released by the Government, and the communities I represent are gravely concerned about the uncertain future facing our local health services, including beds not just at the West Cumberland, but at our local community hospitals in Keswick, Milom, Maryport and elsewhere—and that is before we even consider the profound challenges to primary care, too.

In spite of the challenges that we face and the strength of feeling in my constituency, the Health Secretary, who is no longer in his place, has paid not one visit to the West Cumberland hospital, or any of our community hospitals on whose behalf I speak tonight, in the four years in which he has held his position. Moreover, he has refused my invitation to visit West Cumbria to see for himself the unique challenges that we face in our part of the world. Without visiting the hospital, experiencing the transport inadequacies and seeing the vital work of consultant-led accident and emergency, maternity and paediatric services that the West Cumberland hospital provides, the Health Secretary cannot and does not understand the necessity for his immediate intervention in our troubled health economy.

Most recently, owing to the fact that the Health Secretary, to outline the challenges that our health economy faces and to put our case to him. However, at short notice, but coincidentally on the day after he announced his ambition to stand as leader of the Conservative party, the Health Secretary cancelled the meeting. The decision to cancel that meeting was seen as the calculated insult that I am afraid it surely was.

I led the local campaigners instead to the Department of Health to meet the gracious and approachable Under-Secretary responsible for care quality—the Minister in his place today. The delegation handed to him a confidential document containing the cases given to local campaigners by local mothers about babies who were likely to have suffered fatalities—and maternal fatalities, too—if consultant-led maternity services had been unavailable at the West Cumberland hospital in Whitehaven. The Government are well aware that consultant-led maternity services at that hospital are non-negotiable and absolutely essential—whatever the successor regime that comes forward in the immediate future. Any other option would compromise the safety of local mothers and their babies.

It is clear to me, to my community and to Simon Stevens, the chief executive of the NHS, who visited my constituency only a few months ago, that consultant-led services must be retained and improved at West Cumberland hospital. Removing those services from Whitehaven would be dangerous—

7 pm

The debate stood adjourned (Standing Order No. 9(3)). Motion made, and Question put forthwith (Standing Order No. 41A(3)). That at this day’s sitting the Motions in the name of the Leader of the Opposition may be proceeded with, though opposed, until 8.00pm; and Standing Order No. 41A (Deferred divisions) shall not apply.—(Charlie Elphicke.)

Question agreed to.

Mr Reed: As I was saying, the removal of those consultant-led maternity services would actively undermine the principle of a truly national health service, and will never be accepted by me or by my community. I am therefore deeply concerned by a recent report, based on a leaked e-mail, which suggests that the success regime is indeed considering the removal of maternity services from Whitehaven as one of the options on which it wishes to consult. That is appalling. If the success regime turns out to be a Trojan horse initiated by the Government to slash budgets and remove services, I have just one message to send to the Government today: my community will never accept that, and cannot and will never forgive it.

There is no doubt that consultant-led maternity services are what west Cumbrian women and their families need, want and deserve. Removing those services from the remotest constituency from Westminster in England, in terms of accessibility, would be not only unsafe, but without precedent in our country. It is clear to me, to my community and to Simon Stevens, the chief executive of the NHS, that communities in west Cumbria deserve. Without a clear commitment to our consultant-led services, including a fully functioning consultant-led maternity service at West Cumberland hospital, it will be impossible for us to support the work of the success regime in the future.

I have since urged the entire community of west Cumbria to join me, and our local campaigners, in fighting any proposals to remove essential consultant-led services from West Cumberland hospital. We are a
community of campaigners, patients, families and NHS staff, united in our commitment to our local national health service, and we are determined to build a 21st century health economy, equipped to overcome the challenges that we face in my incredibly rural constituency. We will not allow the Government, by any means, to strip away our services, leaving a threadbare health service, unfit for purpose, to future generations in the community of west Cumbria. My community is determined; what we are missing is the immediate commitment, support and investment from the Government that we so clearly require.

Just two weeks ago the country voted to leave the European Union, and I regret that. Many of those voters, including a large number of my constituents, voted on the basis of their belief that a Brexit vote would result in an extra £350 million per week for the NHS. Since that vote, prominent members of the leave campaign have been quick to renege on a key promise that swung so many people behind their prospectus. As we observe the Conservative leadership contest, it appears likely that those prominent campaigners will wash their hands of the responsibility of delivering on the commitments that they made. In communities like mine, where people voted in the belief that their vote would help to fund the investments that we need in our health services, that is an unforgivable betrayal.

Now is the time for the Government to fulfil their responsibility to provide a truly national health service. My community needs and deserves no less than an immediate intervention to ensure the release of funding for the second phase of the redevelopment of West Cumberland hospital and a commitment to the retention and improvement of consultant-led services, including accident and emergency, maternity and paediatric services. We also require a commitment to the retention of beds at our community hospitals. Brexit campaigners in the Government, especially those who aspire to be not just the leader of our country, have a particular responsibility to stand before the House and the country, and explain to all the people whom they knowingly deceived why they did it, where the money is coming from, and what they are going to do about it.

7.4 pm

Julie Cooper (Burnley) (Lab): I want to begin by speaking about the NHS as experienced by my constituents. Getting an appointment to see a GP can be very difficult because recruitment of doctors in Burnley and Padiham is an enormous problem and many posts remain unfilled. This is not a temporary situation; this is how it is all the time.

The fact is staff do their best, but they are not magicians. Too often patients requesting an appointment are told to phone back the following day at 8.30 am and hope for a cancellation, and heaven forbid that a patient should want to have some continuity of care. This is especially difficult for the elderly and those suffering with mental illness. I tell the Minister that they really need to see a familiar face, and to have access to a GP with whom they have an established rapport. Sadly, they are denied this.

Unplanned admissions to hospital are also difficult. Patients often wait for hours on trolleys in cubicles and draughty corridors until a bed is available. This bed queue is the direct result of the fact that there is a shocking shortage of quality support for the elderly and mentally ill in need of care in the community.

The elderly and mentally ill really do bear the brunt of an NHS in crisis. Every week in my surgery I hear of their suffering at the hands of a poorly resourced and inadequately staffed NHS. One lady told me only a couple of days ago that she took her daughter, who is self-harming and threatening to hang herself, to the mental health crisis unit. The unit was so busy that she had to wait 23 hours for a diagnosis, after which it was decided that she needed to be sectioned and admitted. For the next four days, because no bed was available, she slept in an easy-chair. At that point a bed was found in Potters Bar, London. The family of this lady, including her five-year-old daughter, live in Burnley, at a distance of over 200 miles. They cannot afford the train journey to visit her.

I mention all of this not as a criticism of any of our NHS workers—far from it; they are at the sharp end doing their best in an impossible situation. They work in the health service because they care, and it pains them to see patients treated in this way. I mention all of this, none of which is untypical, because it is this misery that the Brexit campaign spoke to.

The leading Brexiteers, who have been mentioned in this place already today, played out the most cruel deception. They promised in their campaign that if the UK left Europe the NHS would receive a funding boost of £350 million per week. This untruth—that is what it was—was not a mistake or a miscalculation, although it was totally reprehensible; it was a deliberate attempt to deceive the British public. When deception of this magnitude is peddled by senior people, some of them Government members, who could blame people for believing that they would get a better NHS outside Europe?

Only hours after the referendum result was known the Brexit camp withdrew this promise of extra NHS funding because, of course, the fact is that it is this Conservative Government who starve the NHS of funding, not the EU.

7.7 pm

Kirsty Blackman (Aberdeen North) (SNP): Throughout this referendum campaign, there were numerous times when the campaigns were deceitful. There were numerous times when things that could not be promised were promised. Today, the Vote Leave official Twitter page still has a headline that says:

“We send the EU £350 million a week. Let’s fund our NHS instead.”

That is still on the Vote Leave Twitter page. In fact, they have not posted since the 23rd; I think they have screwed things up and run away.

I was a bit surprised that the Labour party’s motion did not mention the right hon. Member for Birmingham, Edgbaston (Ms Stuart), because when I looked up the £350 million claim, the first quote that came up was:

“Every week we send £350 million to Brussels. I’d rather that we control how to spend that money, and if I had that control I would spend it on the NHS.”

That was said by the right hon. Lady, and it was patently untrue.
BBC Radio 4’s “More or Less” looked at the statistics. For anyone who does not listen to the programme, I should say that it is rather excellent and tends to debunk what politicians say on a regular basis. It does not usually say something is actually false; however, it will say “It’s not quite right.” But with this claim, it said that it was false.

Karin Smyth (Bristol South) (Lab): I hear what the hon. Lady says about my right hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart), but she is not in the Government so does not have the power to transfer that money to the NHS budget, unlike those on the Conservative Benches. Does the hon. Lady agree?

Kirsty Blackman: I agree that the right hon. Member for Birmingham, Edgbaston is not in the Government, but she was in the Vote Leave campaign and made those promises.

Going back to “More or Less”, Tim Harford said: “If we left the EU we wouldn’t have an extra £350 million to spend on the NHS.”

He also talked about the amount of money that we pay to the EU in comparison with the amount that comes back and said that the “rebate is about £85 million a week. Unless you think we’d continue to get the EU rebate after we left the EU, it’s impossible to make the claim that there would be £350 million a week to spend on the NHS.”

He went on to say:

“We reckon that in the year 2014 the UK paid £280 million a week to the EU and received back £90 million a week in contributions to farmers and poorer regions and another £50 million in spending on British companies.”

Therefore, the most that could possibly have been available is £140 million, and there was no way that anybody in the leave campaign was ever going to spend all that money on the NHS.

It is not unusual, however, for people to be disingenuous. The people of Scotland are actually quite used to people telling untruths during referendums. The article below the now-famous headline, “The Vow”, stated:

“People want to see change.”

Well, they certainly delivered that. The article also said:

“We will honour those principles and values not only before the referendum but after.”

Ruth Davidson, leader of the Conservative party in Scotland, said on 2 September 2014:

“No means we stay in” the EU. The Conservatives have completely failed to deliver on the promise they made to the people of Scotland. They are trying to drag Scotland out of the EU against our will.

This Conservative Government have a terrible record of making disastrous pledges, mostly because I think they did not expect to have a majority. They thought that they could write anything they wanted into their manifesto and then backslide on it because they were not going to have a majority. They had the fiscal charter, which was disastrous and condemned us to austerity. They had the removal of the subsidy for onshore wind, which was also disastrous. They had the pledge to have an EU referendum and they thought that they could avoid that one because they would not get a majority, but now look at what has happened.

There was also the disastrous, awful, horrendous migration cap. I am faced with constituents most weeks who sit in my office and explain to me what they do for their community and the work that they do in local government or the NHS. They talk about their volunteering and say to me, “Why does this Government want to send me back to another country?” The only answer that I can possibly give them is that this Government signed up to a migration cap and are therefore trying to reduce the number of people here based not on how hard they work, how much they give to their community or how much they put into NHS services, for example, but on trying to reduce the headcount. The Government’s behaviour is absolutely ridiculous.

What does that mean for the future of political campaigning? People across the UK are looking at the pledges, such as the one that is still on the Vote Leave Twitter page saying that £350 million should be spent on the NHS, and their trust in politics and politicians is being eroded further than ever before. If we want to try to bring things back, we are going to have to work incredibly hard and be incredibly truthful. Our campaigning is going to have to be incredibly positive. The fear factor inspires nobody, and we are losing the trust of so much of the population. They do not believe what we say because we constantly present them with fear, which is not good.

The Health Secretary spoke earlier about having to be careful in what he said in case he further damaged the British economy. He did not want to talk down the economy, which I understand, but I hope that that does not mean that the Conservative Government will refuse to be positive about the benefits of migration. The people who come to this country to work in our NHS and in other services provide a huge economic benefit to the UK as a whole and Scotland in particular. It is important to our country’s economy that people are willing to come here. If the Government are scared about damaging the economy and their ability to use people as bargaining chips and are unwilling to talk about the benefits to the British economy of migration, that is a major issue. Things are bad enough already; we do not want to make them any worse.

I want to mention a few other things that people have said. The hon. Member for Uxbridge and South Ruislip (Boris Johnson) said that people would value NHS services more if they had to pay for them. He then said that the £350 million should go to the NHS. Those two things are mutually incompatible. It is a shame that such points were not highlighted a bit more during the campaign.

So many Westminster Governments over so many years, and indeed decades, have been unwilling to do anything other than take part in short-term politics, focusing on what will be of benefit in the next five years in order to try to win elections. The NHS is a prime example, because some of the health measures put in place by the Conservative Government avoid touching on some of the thorniest issues. For example, breast feeding counselling and support, access to which is being reduced, costs money now but will result in a financial benefit—a return to the Treasury—many years later. It would be good if the Government were willing to take such decisions, which may mean they have a smaller budget now, in order to give people health benefits in 20 years’ time.
Earlier this week we had the main debate on the estimates. NHS and health budgets regularly go against HM Treasury guidance by transferring capital to revenue spend, which other Departments are not allowed to do. What I want to know is why that money is not being spent on capital projects. What capital projects on which the money should be spent are being avoided? Why are the Government not funding the NHS revenue spend to the levels they should be? Why does the NHS have to make these transfers between capital and revenue, rather than being adequately funded?

Madam Deputy Speaker, thank you for your indulgence in allowing me to speak in this debate. I really appreciate it.

7.16 pm

Karin Smyth (Bristol South) (Lab): The Public Accounts Committee, of which I am a member, has published seven reports since January on the workings of the Department of Health, including on diabetes, the cancer drugs fund, services for people with neurological conditions, access to GP services, acute hospital trusts, NHS clinical staff and personal budgets in social care. We have had two further hearings, for reports yet to be published, on discharging older people from hospital and specialised services.

I recommend those reports to those on the Government Front Bench—I have a few copies with me, just in case they do not wish to watch the football tonight. Taken together, they paint a bleak picture of a system under immense pressure, with commitments undelivered, a massive increase in complexity as a result of the Health and Social Care Act 2012 and, above all for the Public Committee, which had some additional training this last year, there are widespread concerns about how the Department might use its vast resources to improve the efficiency and effectiveness of the NHS but realising these savings is proving to be a huge challenge—particularly against a backdrop of staffing shortage.

Given the size of the trust deficit and the implications for the budget of NHS England, which takes up by far the greatest part of the Department’s budget, there are widespread concerns about how the Department might stay within its departmental expenditure limit. Failure to do so would be an exceptional breach of control. As my friend, the hon. Member for Aberdeen North (Kirsty Blackman) said, there are issues about the way in which capital has been transferred to revenue and so on.

The Public Accounts Committee understands that the accounts will be available before the recess—perhaps next week, which would be very welcome. We need to look at not only NHS England’s spend, but that of the other 20 or so bodies that make up the Department of Health. I know that you, Madam Deputy Speaker, and Parliament will take a dim view if the Department’s accounts are not subject to proper scrutiny when the Committee, which had some additional training this year to review the accounts, is ready to undertake such scrutiny.

In addition to my concerns about last year’s accounts and this year’s departmental budget, I believe that Brexit now poses huge risks. My major concerns are about staffing, procurement and medicines, but there simply bubbling along well—in fact, they were getting more money for their budgets? Even for North Middlesex hospital, which we have heard about extensively tonight, the situation is increasingly worrying, as it is now in deficit for the first time in 10 years.

Karin Smyth: I agree and I will talk about some of the issues with trusts.

Hon. Members have provided examples that highlight our concerns about how the Department is managing to do what Parliament intended with the funds voted to it. They highlight the importance of giving the Public Accounts Committee and Parliament the opportunity to review the departmental accounts properly.

The Department of Health annual accounts cover more than 20 arm’s-length bodies and delivery partners, not only NHS England, but the Care Quality Commission, NHS Improvement, the National Institute for Health and Care Excellence, the Human Tissue Authority, Health Education England, the NHS Litigation Authority and—one of my and, I am sure, many hon. Members’ favourite organisations—NHS Property Services Ltd.

Within NHS England, NHS trusts reported a record deficit of £2.45 billion in 2015–16—almost £500 million worse than planned, and triple the size of the 2014–15 deficit. As my hon. Friend the Member for Hornsey and Wood Green (Catherine West) said, a record 121 out of 138 acute trusts ended 2015–16 in deficit. Analysis by the King’s Fund and the Health Foundation has challenged the Secretary of State’s claim that, in the 2016–17 Budget, the NHS will receive the sixth biggest funding increase in its history. The chief economist at the King’s Fund concluded that this year’s total real spend increase of 1.6% is the 28th largest increase since 1975–76.

The Health Foundation noted: “The health budget has been protected from cuts but spending growth is substantially below the growing pressures on the service...In exchange for this protection, the NHS has been asked to absorb these pressures through improved efficiency. There are opportunities to improve the efficiency and effectiveness of the NHS but realising these savings is proving to be a huge challenge—particularly against a backdrop of staffing shortage.”

Catherine West (Hornsey and Wood Green) (Lab): Does my hon. Friend agree that a worrying number of trusts are now in deficit, whereas 10 years ago they were...
are many others. In my NHS career as a non-executive director on a trust board and as a manager, I read and indeed compiled many a risk register. It is truly a joyful task. The Department requires all its bodies to identify, assess and mitigate risks. As anyone in any business knows, risk registers are an essential part of the planning process. Few if any risks to business could be greater than Brexit. I would expect the Department to have a robust Department-wide risk assessment process, and I would expect it to include Brexit.

Yesterday at Health questions, I asked what was being done across the Department, including the NHS, to assess and mitigate the risks to its current year budget of Brexit’s huge impact on staffing, procurement and medicines. I received a far from satisfactory reply—although he tried to be helpful—from the Under-Secretary of State for Life Sciences. I therefore pose three key questions to Ministers: what are the risks of Brexit that the Department must surely have already identified through its risk register or by other means? How are they to be mitigated? When will they be debated and discussed in Parliament?

7.23 pm

Mr Gareth Thomas (Harrow West) (Lab/Co-op): It is a pleasure to follow my hon. Friend the Member for Bristol South (Karin Smyth). I will be unashamedly parochial and pursue the point that I made in an intervention on the Secretary of State about the future finances of the Harrow clinical commissioning group and the London North West Healthcare NHS Trust. It includes Northwick Park hospital, which serves my constituents. I should declare an interest in that I have been operated on and indeed members of my family have been born at Northwick Park hospital, with which I therefore have a particular affinity, as do my constituents.

Joan Ryan: My hon. Friend is right to remain parochial and focused on his hospital. One of the scandals of North Middlesex is that all the local MPs have been kept in the dark about all the serious faults that were known to the hospital and to NHS officials. None of that was shared with the local MPs.

Mr Thomas: My right hon. Friend made a very powerful speech about North Middlesex hospital. I am pleased to say that I have a positive relationship with the managers at North West London Hospitals Trust as they have always made themselves open and available to answer my questions. I hope that they will read Hansard and see my right hon. Friend’s warning in relation to the difficulties that she has had with previous managers at North Middlesex hospital and will do even more to provide transparency in our area.

Let me talk now about my concerns about the finances at Northwick Park. Back in 2014-15, North West London Hospitals Trust had a deficit of some £55.9 million. That had risen to £100 million by the beginning of the financial year. The trust management board is optimistic that it can get that deficit down over the course of the next financial year to just over £88 million, which is an enormous sum in its own right and will, if that figure is achieved, still be without question one of the biggest deficits in the NHS in England. To achieve that target, it has committed to axe 140 posts. My concern, and the concern of many of my constituents, is that services at Northwick Park and indeed in other parts of the trust will be affected despite the intentions of the management.

The situation at Northwick Park has been compounded by the decision to close a number of accident and emergency departments in north-west London in recent years. In particular, the decision to close Central Middlesex hospital has undoubtedly had an impact, increasing the pressure on the services at Northwick Park hospital. Although it was great to see some new investment at Northwick Park—we now have an upgraded accident and emergency department—no extra beds were created in the hospital, which is a major concern.

I recognise that time is a concern, so let me underline my last point, which is about the funding of Harrow clinical commissioning group. In the past three years for which parliamentary figures were available, it has received the lowest funding of any London CCG. The Secretary of State was very generous in offering to go away and review that situation. I ask the Minister who is due to reply to this debate whether he would be willing to receive a deputation of local general practitioners and me to discuss the funding of Harrow CCG, which is one of the causes of the difficult financial situation at Northwick Park hospital that serves my constituents.

7.28 pm

Justin Madders (Ellesmere Port and Neston) (Lab): In what has been a hugely significant day in a monumentally significant fortnight, we have been discussing issues that are also of huge significance, but I fear that the contributions will be lost amid the historic nature of the events currently engulfing this place and the whole country.

Let me turn now to the contributions to this debate. The hon. Member for Central Ayrshire (Dr Whitford) rightly highlighted the uncertainty now facing our staff who have come from the EU. There is also a very real fear that agency costs will go through the roof as a result of the decision that has been made.

My right hon. Friend the Member for Enfield North (Joan Ryan) spoke with graphic clarity about the problems that a lack of funding has caused the health services in her own constituency. She also pointed to the promises to protect local services that have not been honoured. She talked about the scandal of junior doctors left unsupervised in the North Middlesex hospital A&E. I know that she has a debate in Westminster Hall on that issue next week, and I am sure that some of the matters that have been raised today will get a further examination then.

My hon. Friend the Member for Copeland (Mr Reed), who, as my predecessor in this shadow role, has great knowledge of this area, spoke passionately about the challenges that his community faces in delivering an effective health economy. He is right to be concerned that the success regime could indeed turn out to be a Trojan horse.

My hon. Friend the Member for Burnley (Julie Cooper) gave a personal and troubling story about a recent case involving one of her constituents. I agree with the hon. Member for Aberdeen North (Kirsty Blackman) that all of us as politicians will have to work much harder to restore and retain trust in what we say. My hon. Friend the Member for Bristol South (Karin Smyth) spoke with graphic clarity about the problems the NHS and her more recent experiences as a member of the Public Accounts Committee and the many critical reports it has written. I assure her that I have already considered many of them, so I trust I have her permission to watch the football later.
Finally, my hon. Friend the Member for Harrow West (Mr Thomas) spoke with great authority about the difficulties of his own local NHS trust. I think every Member who has spoken tonight has mentioned challenges in their own constituency, but more significant is the fact that every Member who has spoken tonight said that at least some of their constituents voted to leave the EU because they thought it would mean more money for the NHS.

Those are the Members who have spoken. Who have we not heard from? Where are the right hon. and hon. Members who have spent the last few months spearheading the campaign up and down the country claiming that there was £350 million a week just sitting there, ready to be spent on the NHS. Could it be that because it was a promise that could never be kept and should never have been made, we have seen a collective abrogation of responsibility by people who, frankly, should know better? Make no mistake: those who have associated themselves with such claims will be expected to account for their actions, but let us not allow those wild statements to distract us from the crisis in the NHS caused by this Government.

The challenges we already face in the finances, quality of care and the workforce put the NHS in a precarious position, but be in no doubt: those challenges were there before we voted to leave the EU. It has been clear for some time that the NHS does not have the resources needed to deliver the services that people expect. Only this week, we have heard where the Government’s priorities appear to be, with the Chancellor talking about reducing corporation tax yet again. Is it not interesting that we only hear such extra-parliamentary statements about tax cuts, and not about the extra investment that the NHS patently needs? Indeed, the Chancellor’s last big spending decision on the NHS was to cut £1.1 billion from this year’s capital budget, which came to light only after a study by the House of Commons Library—an approach about as far removed from parading impossible pledges on the side of a bus as I can imagine, but to my mind just as dishonourable.

As we know, the overall deficit in the NHS last year was a record £2.5 billion—a record deficit despite pledges from the Government that the investment needed would be front-loaded now to ensure that the NHS could implement the service transformation needed before the middle years of this Parliament, when the funding increases already announced for the NHS are microscopic. What will the NHS look like a few years down the line if the money that is supposed to be preparing us for the rocky road ahead will in fact be used to plug the black hole in finances left over from the last year? Surely, whatever the implications of the referendum result, the Government must recognise that their existing financial plan for the NHS needs comprehensive re-evaluation.

Only yesterday, we had a report from the Healthcare Financial Management Association that revealed that 22% of the NHS finance directors in hospitals and CCGs surveyed said that quality of care will worsen during this financial year. It does not end there: one in three finance directors fear that care will deteriorate in the next financial year. They warn that waiting times, access to services and the range of services offered are all likely to suffer because of the inadequate funding settlement. I know the Minister will try to reassure us that plans are in place to put the NHS back on an even track, but I suggest that he listen to the 67% of CCG finance officers and 48% of trust finance directors who have said that there is a “high degree of risk” associated with achieving their organisation’s financial plans for this year.

In addition, only 16% of finance directors have expressed confidence that NHS organisations in their area will be able to deliver the changes required by their local sustainability and transformation plans. Along with the challenges they anticipate in delivering planned efficiencies, finance directors say that continued high spending on agency staff and inadequate funding of social care are pressures that are not going away. As my hon. Friend the Member for Bristol South mentioned, the Minister will be aware of what the Public Accounts Committee said: that the 4% annual efficiency targets imposed are “unrealistic and have caused long-term damage”.

None of that will be news to the Minister. It is high time the Government acknowledged that within the current parameters, hard-working NHS staff are being set up to fail.

Across a whole range of indicators, the NHS is experiencing its worst performance since records began, but let me be clear: I do not for a second hold the people who work on the frontline in the NHS responsible for that. Indeed, it is only through their dedication that the health service keeps going, despite the best efforts of the Government to destroy staff morale. Be it the current generation of junior doctors alienated by botched contract discussions, the next generation of nurses deterred from entering the profession by tuition fees, or the thousands of EU nationals working in the NHS who fear for their future in this country, existing staff, who are at breaking point, see nothing from the Government that gives them confidence that the Government have a clue how to fix this mess.

Let us once and for all nail the myth propounded by Government Members that this Government have been generous in their funding for the NHS. The King’s Fund and the Health Foundation looked into this claim. Despite the oft-repeated mantra that this year’s funding increase is the sixth largest in the NHS’s history, they said:

“We find that…this year it is in fact the 28th largest funding increase since 1975”.

That is the truth. That is the cruel deception at the heart of the Government’s NHS plans.

NHS Providers, the organisation that represents NHS trusts, had this to say about the size of the deficit:

“the combination of increasing demand and the longest and deepest financial squeeze in NHS history is maxing out the health service”.

The fact is that the NHS is halfway through its most austere decade ever. It is getting a smaller increase this year than it got in any single year of the last Labour Government. Since the health service’s creation in 1948, NHS demand and costs have risen by 3.5% to 4% a year, and on average funding has kept pace. Now funding will rise, on average, by only 0.9% a year between 2010 and 2020. That is a quarter of the historical average, and well below what is needed to provide the same quality of service to a growing, older population.
I return to my opening remarks. It has been a seismic few weeks for this country. Politicians have been exposed as cavaliers with the facts, cynical in their actions and irresponsible about the future of this country. Let us not allow that approach to continue to poison our politics. Let us have the courage to be honest about the challenges that lie ahead. Let us stop the pretence that the NHS can continue to be the service that most of us want it to be within current Government spending limits.

Let us also be clear that the answer is not to emblazon buses with cheap slogans and then run away from those slogans at the first opportunity. Instead, the challenge for all of us in this place who want the next generation to enjoy the same access to the NHS that my generation has taken for granted is to provide a coherent, credible set of policies and then actually deliver them. On that measure, this Government have fundamentally failed. I therefore commend the motion to the House.

7.37 pm

The Parliamentary Under-Secretary of State for Health (Ben Gummer): First, may I apologise to the House for not being here at the beginning of the debate? I did, however, see the contributions of the hon. Member for Hackney North and Stoke Newington (Ms Abbott), who set up a powerful case in support of the Opposition’s motion, and of the hon. Member for Central Ayrshire (Dr Whitford).

I would not dispute the motion’s central contention. We have just had an enormous public debate—as the hon. Member for Ellesmere Port and Neston (Justin Madders) made clear, a debate of a magnitude that this nation has not seen for decades. A central claim in that debate—a claim on which the referendum hinged—was that there would be an additional £350 million for the NHS to spend every week, were we to withdraw from the European Union. To be very clear about that claim, it is not one that any Member who supported Vote Leave can run away from. It was emblazoned not just on the bus, but in even more explicit language on a poster, which said:

“Let’s give our NHS the £350 million”—not “some of” or “a part of”, but “the” £350 million—“the EU takes every week”.

Members will know my position in this debate. It is not my purpose to revisit the arguments for one side or the other, but Members on both sides of the House, of this great debate and of the referendum campaign have a duty to hold to account the people who made those claims, because the referendum was won partly on the basis of them, and people will expect results.

I would like to put on record the nature of our contribution to the European Union every week, so we can be clear not about the claims, but about the facts. The simple fact is that it is wrong to take one year’s contribution as typical, because our contribution varies and public and private sector receipts, which are a further £108 million a week, our net contribution per week is actually £136 million, worked out on a rolling average from 2010 to 2014. I would therefore suggest to those on both sides of the House, and on both sides of the campaign, that the figure needs to be challenged and challenged again.

Any money that might or might not be coming to the NHS needs to be seen within the framework of that claim. It is important for us at this stage not to move away from the claims made in the great referendum campaign. It is important that we bring the country together, but that does not mean that we should not bring some sort of scrutiny to those claims over the next few years, when the effects of Brexit will be played out and when our constituents will feel those effects in their pockets and in the security of their families, although some will say that that will be to the positive and others to the negative.

In the next few years, we will have to take consistent measures to bring scrutiny to the claims that were made. However, it is not just the money that is important in terms of Brexit. I, too, am concerned that we bring scrutiny to bear on the other issues facing healthcare, whether the regulation of medicines, research funding—universities have expressed real concern about that in just the past couple of days—or workforce supply. In that respect, I would like to reiterate the support that my right hon. Friend the Secretary of State for Health expressed for the migrant workers who have come to this country to provide our NHS. Many of those people provide skills we cannot provide in our own country, and their dedication to our national health service is equal to that shown by those serving it who were born in this country, and I would like to personally thank them for their contribution and service.

On that issue, I think we can have some agreement across the House. Where, I am afraid, I part company from Opposition Members, however, is on their comments about the claim that was made by Vote Leave—as the hon. Member for Aberdeen North (Kirsty Blackman) made clear, it was also made by Labour Members of Parliament. That claim has not been made by Her Majesty’s Government; nor is it one that can be attached to the Department of Health.

In addition, it has been said that the money released by Brexit, even if it were to materialise, would be backfilling what the Opposition claim to be a deficit in NHS funding. That description could not be further from the truth, and I would advise Opposition Members to look at the OECD’s latest figures, which were released earlier this week. They clearly demonstrate that healthcare funding in this country is now just above the average for the EU15. It has moved up from being below average, and we are now achieving parity with countries such as Spain, which has a fantastic healthcare system that is much admired around the world, and indeed Finland. Given that position, we should surely praise this Government and the previous coalition Government, who protected healthcare funding, even when the Labour party suggested we do the opposite.

In 2010, the Prime Minister said healthcare funding would be protected, even though the Labour Chancellor of the Exchequer before the 2010 election suggested it should be cut. Under this Secretary of State and this Prime Minister, NHS spending has undergone its sixth biggest rise in the history of the NHS, despite the fact that we have been contending with the biggest financial crisis this country has faced in its peacetime history since the great depression in the 1930s. The financial environment of the NHS therefore bears positive scrutiny, compared with the situation in other leading countries in the European Union and with the history of Government funding for the NHS. Of that, the Conservative party is justly proud.
That does not mean, however, that there are no pressures within the NHS. I would like to pick up on some of the comments made by hon. Members, which I know they have made earnestly because they care very much for their local health systems. The hon. Member for Copeland (Mr Reed), who is a doughty campaigner for West Cumberland hospital and for healthcare provision in his area, knows that I will meet him again and again—I hope, soon, in Cumbria—to discuss the issues that he has in his locality. We are a receptive ear, but we must always pay attention to clinical advice as it pertains to his local area and not to the political exigencies that might exist. Rightly, we have removed political decision making from the disposition of services. That is precisely why the reconfigurations in the constituency of the right hon. Member for Enfield North (Joan Ryan) took place. It is always easy in government to try to make political decisions on matters that should be the preserve of clinicians, but that is the wrong thing to do, because one makes decisions for reasons of political expediency rather than clinical reasons. That is why we rely on the success regime in the hon. Gentleman’s constituency and in the whole of Cumbria, as we do in other parts of the country, to provide a clinical consensus and the arguments for change that local clinicians will wish to see.

The hon. Member for Bristol South (Karin Smyth) has an expertise unrivalled in this House in the management of finances at a local area level. She is right to say that Brexit poses particular problems for staffing of NHS and social care services, procurement and medicines. As a member of the Public Accounts Committee, she has provided very good criticism of how the NHS has been running its finances, which has not been good enough over the past five, 10 or 15 years—indeed, for many years. This Secretary of State and this team are doing a great deal to correct that. She is right, for instance, to point out that NHS Property Services has not worked as well as it should have done in the past. I hope that in the months and years ahead she will see reforms that give her greater pleasure than dealing with NHS Property Services gave her in her previous role.

The hon. Member for Harrow West (Mr Thomas) described the problems at his local hospital, as did the right hon. Member for Enfield North in relation to North Middlesex hospital, which I have discussed with her. Both hospitals suffer similar problems to other hospitals on the outside rim of London—discernible and discrete problems that we are endeavouring to correct and to provide solutions to. I hope that the right hon. Lady has seen, in the movement over the past few days, our determination to sort out the problems at North Middlesex. As the Minister responsible for hospitals, I do not want to leave this job without having given stability and certainty to the hospitals outside London that they have not had for many years.

Mr Gareth Thomas: I intervene merely to underline the request for a meeting with the Minister to discuss the finances of Northwick Park and, crucially, of the clinical commissioning group in my area.

Ben Gummer: Of course I will give the hon. Gentleman a meeting. If the issue is about general practitioners, I will refer him, if he does not mind, to my right hon. Friend the Minister for Community and Social Care. However, I will certainly meet him to discuss finances and hospitals. I will arrange both meetings on behalf of his constituents.

I thank hon. Members for this short but constructive debate. It is the first stage in the necessary scrutiny of the claims that were made by both sides in the EU referendum. We are now going to see, in the months and years ahead, who was right. I hope very much that I and the people on my side were wrong, because if so, it will be easier to deliver the spending commitments made by Vote Leave. I fear not, however, in which case we will have some very difficult years ahead. However, people can be sure that in this Government they have a Secretary of State, a ministerial team, a Prime Minister and a party that will continue to commit the funds that are necessary to the NHS, so that we improve on our position in the European averages. We will continue to fund it better than any previous Government to provide for the ambitious designs for this, our national health service, which we all care so much about.

Question put and agreed to.

Resolved.

That this House notes that the Vote Leave group during the EU referendum campaign claimed that an extra £350 million a week could be spent on the NHS in lieu of the UK’s EU membership contribution; further notes that senior figures who campaigned, including the hon. Member for South Northamptonshire, the hon. Member for Uxbridge and South Ruislip and the Rt hon. Member for Surrey Heath have subsequently distanced themselves from that claim; and calls on the Government to set out proposals for additional NHS funding, as suggested by the hon. Member for South Northamptonshire on 4 July 2016.
Cross-examination of Vulnerable Witnesses

Motion made, and Question proposed, That this House do now adjourn.—(Julian Smith.)

7.50 pm

Ann Coffey (Stockport) (Lab): Giving evidence can be a daunting process. A courtroom is not a hospitable environment for anyone but a lawyer. For most people, the surroundings are intimidating and the procedures strange. It is even harder for children and other vulnerable witnesses, who struggle with the stress of having to re-live difficult experiences in a room full of strangers.

We have repeatedly heard about vulnerable witnesses being subjected to courtroom trauma at the hands of over-zealous defence lawyers. Last year, a 13-year-old child was accused of lying during the trials of the so-called Banbury sex gang because it was “better to be a victim than a slag”. One young girl I spoke to in the course of preparing the report, “Real Voices: Child Sexual Exploitation in Greater Manchester”, told me that being cross-examined was one of the worst experiences of her life. She said:

“There is not a word to describe how bad it was. It was like one attack after another. One of the barristers was not even asking me questions; he was just shouting at me”.

In cases involving sexual offences in particular, we know that, too often, victims fail to report the incident or to pursue prosecution because they fear facing humiliation in court. In all kinds of cases, the testimony of vulnerable witnesses continues to be undervalued and ignored. Of course, there have been big strides in improving the situation for vulnerable witnesses in recent years, particularly though the use of registered intermediaries and other special measures, but we are still a long way from a situation in which all witnesses can give their best and most accurate evidence, no matter their vulnerabilities.

There is one part of the trial process in which vulnerable witnesses continue to be subjected to unnecessary and unjustifiable distress, namely cross-examination. We all agree that the right of the defendant to a fair trial and a robust defence is absolute and essential. However, research has repeatedly shown that traditional cross-examination techniques are not appropriate for vulnerable witnesses. A study conducted by Joyce Plotnikoff and Richard Woolfson suggested that at least half of child witnesses do not understand the questions put to them in court—a figure rising to 90% for those under the age of 10. How can these children possibly give their best evidence in these circumstances?

Building a justice system in which no one is disadvantaged is in the interests of everyone, including defendants. It is true that many judges are now trained to intervene when barristers ask questions that are beyond the cognitive ability of witnesses. This is all to the good, but it is not enough. Aggressive and disorientating cross-examination techniques are still widespread, despite repeated judgments from the Court of Appeal that they are not acceptable where vulnerable witnesses are concerned.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): It is extremely important that children are able to give good and reliable evidence. Does the hon. Member agree that, as research indicates that children are suggestible, leading questions should not be used in the court process?

Ann Coffey: I entirely agree with the hon. Lady. She is quite right. What we want is credible evidence, not evidence extracted by bullying.

The recent spate of high-profile sexual exploitation trials have provided stark examples. One young victim giving evidence in the Telford sex gang trials was repeatedly accused of lying and being naughty, and one barrister even demanded to know whether she repented her sins. Overall, she spent 12 days being cross-examined by a series of defence lawyers. As it stands, judges have no real power to limit the duration of questioning or the number of lawyers who can cross-examine a highly vulnerable witness in court. Practice directions encourage judges to set limits, but despite this judicial practice remains very uneven. That is why the measures in section 28 of the Youth Justice and Criminal Evidence Act 1999 are so important. This section provides for the cross-examination of vulnerable witnesses to be filmed at a pre-trial hearing and played to the jury at trial.

Jim Shannon (Strangford) (DUP): This is a vital issue, and I am surprised not to see more Members in the Chamber to support the hon. Lady. There is a great need for young children involved in such cases to have parents or family members close by and to be screened off, so that the investigations and the questioning can be done from a distance. Does the hon. Lady agree—perhaps the Minister can touch on this in his reply—that that is something we should be considering? Helping those children to give their evidence clearly and honestly, with the support of their families, has to be the way forward.

Ann Coffey: I agree with the hon. Gentleman. We need to look at all the protective measures that we can employ to support vulnerable witnesses, particularly children, to give their best evidence in court. I entirely support that.

The witness need not attend the trial in person, thus avoiding the many pitfalls to pursuing justice that vulnerable witnesses currently face. It must be noted that pre-recorded evidence in the form of a film of a police interview can already be used in lieu of live examination-in-chief for vulnerable witnesses. There is no reason why that should not be extended to cross-examination, when we know that that is the most distressing part of the trial process.

This has all been recognised for decades. In 1989, the committee chaired by Judge Pigot QC recommended that provision be made for vulnerable witnesses to undergo pre-recorded cross-examination ahead of trial. It took 10 years for that to be written into law in the Youth Justice and Criminal Evidence Act 1999, and still, 17 years on from that moment, the relevant section remains unimplemented. That is despite the fact that victim support services, children’s charities and senior members of the judiciary have repeatedly emphasised the necessity and expedience of a roll-out.

The former Lord Chief Justice, Lord Judge, has been a tireless advocate for the implementation of section 28. Last Thursday he called, once again, in the other place
for us to bring our court system up to date. He has said before that when section 28 is finally implemented, we will all be “astounded about what all the fuss was about.” I am already astounded that it is taking so long.

Of course, a vital step forward was made in April 2014, when pilot schemes were introduced in the Crown courts of Leeds, Liverpool and Kingston-upon-Thames. That was almost universally welcomed, but we are now well beyond the six months that those pilots were intended to last, and the evaluation report has not yet been made public. In “Our Commitment to Victims”, which was published in September 2014, the Government promised the completion of a national roll-out by March 2017, subject to the evaluation report. The clock has been ticking for well over 18 months, and it is unacceptable that vulnerable witnesses across the country should be made to endure further delay.

Since the formal evaluation period ended in October 2014, pre-recorded evidence has continued to be used in the pilot areas, and that is clearly a mark of the pilot’s success. One judge involved in the pilots in Kingston-upon-Thames wrote to me of the marked difference made by the installation of improved IT facilities for playing the evidence to juries. That occurred only after the pilot period ended. I hope that the evaluation report, when it is published, takes full account of these developments.

Alison Thewliss (Glasgow Central) (SNP): Is the hon. Lady aware of the Vulnerable Witnesses (Scotland) Act 2004, which has been in place for a short time in Scotland and which has already taken in some of these provisions? Are there things that could be learned from that process and brought in to help vulnerable witnesses in England?

Ann Coffey: I would be very interested in any evidence from the Scottish courts of the success of pre-recorded cross-examination. It would be very helpful to know a little bit more about that.

Last year I visited the honorary recorder of Liverpool, who informed me that their experience of the section 28 pilot scheme has been characterised not only by vast improvements in the experiences of vulnerable and child witnesses, but by better case management, leading to shorter trials and fewer delays for everyone. I have since spoken to members of the judiciary at each of the pilot courts, and the response has been overwhelmingly positive. His Honour Judge David Aubrey QC made it clear that there has been a cultural shift in the manner of cross-examination, rendering unnecessarily repetitive and aggressive cross-examination a thing of the past. Likewise, her honour Judge Sally Cahill QC told me that implementation of section 28 in Leeds has been a “great success”, enabling “witnesses to give their best evidence in a way that is as good for them as it can be in an adversarial system”.

They both confirmed that there has been no detrimental effect on the fairness of trials. The Minister will know that such unanimous judicial enthusiasm is unusual, but we have, after all, an exceptional opportunity before us. Her honour Judge Susan Tapping told me that in her view “national rollout of section 28 could be one of the single most beneficial improvements in delivering justice to some of the most vulnerable in society”.

We should also remember that the benefits of section 28 are not limited only to trials concerning sexual offences or to cases where the witness is the victim of the alleged crime. Section 28 applies to vulnerable witnesses giving evidence in all manner of cases. For instance, one judge involved in the pilot scheme told me that she had recently presided over a very serious armed robbery case where the only evidence linking the defendant to the crime was that of a child who happened to be sitting on a wall nearby and saw the whole thing. The child’s evidence was taken under section 28, and the defendant pleaded guilty a few days after the recording was made.

We often speak of the need to listen to the voices of vulnerable children and vulnerable people in this House, but rarely are we confronted with such a clear opportunity to put that belief into action. Where children and vulnerable individuals can contribute to the administration of justice, they have a right to do so without causing harm to themselves. Facilitating that participation makes everyone safer.

It is clear that in all cases the benefits of section 28 are extensive. I have repeatedly been told that in section 28 pilot cases more defendants are entering early guilty pleas, thus shortening victims’ suffering and, of course, saving police resources and valuable court time. In Leeds, the latest figures suggest that 51% of defendants pleaded guilty prior to the section 28 cross-examination. In normal circumstances, many guilty defendants do not plead guilty at the arraignment stage or until the day of the trial, in the hope that, for example, a witness may not turn up. But where the section 28 procedure is used a guilty defendant will know first that they are faced with a witness giving evidence at a much earlier stage, and secondly, that if they do not plead guilty before the recording of that evidence they will lose much of the credit available to them for doing so. That leads to early guilty pleas, early closure for the victim and huge cost savings, as once the plea is entered no further evidence gathering or case preparation is required.

In those cases where the trial moves forward, proceedings are much more time efficient because it is no longer necessary to wait for the witness to attend court. Pre-recorded evidence means that persistent interruptions—for example, because a vulnerable witness requires breaks in order to cope or to concentrate—can be avoided.

The overall time taken to conduct cross-examination has also been reduced in areas where the pilot scheme is operating. The judiciary has issued a protocol governing section 28 cases, under which there must be a ground rules hearing before the recording of the cross-examination can take place. That means that there is much greater scope for judges to review questions to be put to the vulnerable witness, so irrelevant, inappropriate or repetitious questions can be filtered out well in advance. Although that time saving must be balanced with the time required for such pre-trial hearings, it is reasonable to expect that as advocates become more experienced in the new style of cross-examination there will be less need for judicial correction and hearings will be shorter. That expectation has been borne out in Leeds where, as experience has grown, ground rules hearings in section 28 cases have sometimes been sufficiently dealt with electronically, without the need for extra time in court.
On average, the evidence provided to me indicates that the impact of section 28 is such that trials that were previously taking four to six days are now taking two to four days. That is obviously great news for vulnerable witnesses. It also has a knock-on beneficial effect for all other cases in the lists, by introducing greater flexibility in case management. A roll-out of section 28 could provide a real opportunity to reduce the existing delays in the criminal justice system. In the context of widespread court closures, the Government cannot afford to waste that opportunity.

One reason for hesitation in implementing section 28 has been the apprehension from some parties that vulnerable witnesses would often need to be recalled to attend trial as new evidence emerged, neutering any beneficial effect that the pre-recording of cross-examination might otherwise have. As I am sure the Minister is aware, no evidence suggests that that has in fact been a problem. I have spoken to and corresponded with judges from each pilot area, and between them they could identify just a single case in which a vulnerable witness had to come back for a second cross-examination. Early disclosure of evidence can be ensured through proactive judicial case management, with judges having the power to delay recordings if not everything is prepared. It should be remembered that if re-examination is necessary, it can be dealt with by a pre-recording.

If there must be a retrial for any reason, recorded evidence means there is no danger that a prosecution will collapse simply because a witness is reluctant to repeat the experience of giving evidence. The process of a retrial is also speeded up as a result. For example, a retrial of a section 28 case in Liverpool occurred within a fortnight, as soon as a new jury panel was in place. We can expect similar results when cases involve a number of defendants, requiring the trial to be split. Rather than requiring the witness to attend each trial, their cross-examination can instead be re-played as many times as necessary. That removes the need for vulnerable witnesses to be exposed multiple times to the adversarial process.

As I have said, pre-recorded evidence continues to be taken in three pilot areas, which means that there is now a postcode lottery for vulnerable witnesses. It cannot be right that only a small minority have access to those protective measures. Tens of thousands of children are called to give evidence each year, and they should all have the benefit of section 28. Such a transformation in the national criminal justice system will take time, but, given the Government’s commitment to full implementation by March 2017, that decision can no longer be put off. As the Home Affairs Committee emphasised three years ago, section 28 represents the will of Parliament, and it is incumbent on the Ministry of Justice to implement it in a timely manner.

As the Minister will know, I have raised implementation of section 28 in this House, and through written questions, many times—today marks the 10th such occasion since 2013. I know that the Minister shares many of my concerns, and I thank him for the recent meeting that he held with me and Lord Judge on the matter. I look forward to hearing what steps he now intends to take.

8.7 pm

The Minister for Policing, Fire, Criminal Justice and Victims (Mike Penning): I congratulate the hon. Member for Stockport (Ann Coffey) on securing this debate. What she says is no surprise to me, because in our meeting with Lord Judge the other day we discussed this issue in terms of what would be the right thing to do, and I praise her diligent work. She does not give up on these matters; she goes on and on. I also join her in praising Lord Judge—one could argue that he is brilliantly named because of his previous occupation.

Perhaps not many people are in the Chamber because on previous occasions other Ministers have not been able to say what I am about to say. As Minister with responsibility for the criminal justice system as well as for victims, this issue forms part of the package that I will announce in a moment. We seek to make more victims feel safe within the criminal justice system, and I have pledged to the House that we will publish a Green Paper on a victims law before the summer recess—I have worked on that extensively with Her Majesty’s Opposition and other parties in the House.

I have also considered the Scottish system, but our provisions will possibly go a little further, meaning that we can learn from each other. That is always a good thing when trying to protect the most vulnerable people in society. This is not just about children; there are people with mental illnesses and those in other situations—particularly those under pressure—who are vulnerable in other ways, although I know we have been talking particularly about children.

Measures have been introduced over the last few years, and the criminal justice system has moved on enormously. In particular, the attitude of judges and those who deal with criminal law has changed. There are now screens in some courts, but we are not there yet.

It is regrettable—a very polite term for a Minister to use in the House—that section 28 of the Youth Justice and Criminal Evidence Act 1999 was not rolled out sooner. I think everybody accepted that it had to be piloted. There was a degree of concern that there might be some cases where vulnerable people were recalled, but, as the hon. Lady said in her very articulate and factual speech, that has happened only once. All the other evidence shows that not only does it make a much better situation for the witness, but it is much better for the criminal justice system. It speeds up the criminal justice system, in particular in the courts, and there are a substantial number of guilty pleas.

There is no need to delay the House massively. As the hon. Lady knows—she met me only a couple of days ago—I agree with nearly everything she says. I have yet to receive full Government clearance. However, I intend to instruct my officials to work with the judges on a roll-out. The roll-out will start by the end of the year. It says in my notes it will start in January, but I think the end of the year would be better. I am sure we would all agree on that. We will start with the roll-out in the Crown courts for those under 18 and for witnesses with mental illness.

This needs to be rolled out. It is wrong to have a situation where my pilots are continuing as pilots when we know just how successful they are. The postcode lottery will end. I am not certain we will reach the full roll-out by March 2017. If I cannot do that, I will come back to the House to explain why that is the case. I have some technicalities within Government procedures to address in the meantime, but I cannot see any reason why we cannot start planning now to work with judges on how we are going to implement it. I spoke about this
[Mike Penning]

extensively with Lord Peter Gross, who has recently stepped down, and his replacement. I think we can go with this. The judges want it. It seems completely logical to me that if I have something new and the judges want it—as the hon. Lady said, that is quite strange—then let us get on and do it.

With that in mind, let us work together across the House to implement section 28 as soon as possible to protect vulnerable witnesses and victims, which we all came to this place to do.

Question put and agreed to.

8.12 pm

House adjourned.
Oral Answers to Questions

ENVIRONMENT, FOOD AND RURAL AFFAIRS

The Secretary of State was asked—

Farming Businesses: Resilience

1. Luke Hall (Thornbury and Yate) (Con): What assistance the Government have given farming businesses to increase their resilience. [905713]

The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): We have put in place a range of measures to support our farmers and help build their resilience. Government investment in flood defence improvements will provide better protection for 1 million acres of agricultural land. We are investing in innovation, skills and capital items to boost the sector’s resilience, and we are working to introduce a dairy futures market to help farmers manage price volatility.

Luke Hall: Volatility in global markets and weather conditions often dramatically affects farmers’ incomes year on year, sometimes by up to 30%. What steps are the Government taking to help farmers manage that risk?

George Eustice: My hon. Friend makes an important point and we have acted to deal with that problem. From April this year the Government extended tax averaging for farmers to five years, up from the previous two years, so that they can better offset good years against bad years. In addition, Her Majesty’s Revenue and Customs has a number of schemes, such as the time to pay scheme, which means that it shows forbearance to farmers who are suffering cash-flow difficulties.

Rachael Maskell (York Central) (Lab/Co-op): Eleven years ago this morning, terrorist attacks were unleashed on our city. We pay our respects today.

As an environmentalist, someone who campaigned in the aftermath of the floods, and a lover of the great outdoors, I am proud to represent Labour as shadow Secretary of State for Environment, Food and Rural Affairs. Many farming businesses depend on trade with the EU. Following the outcome of the referendum, the resilience of farming will be keenly tested. What immediate steps has the Secretary of State taken to ensure that trade relations with EU partners will remain unchanged for the foreseeable future?

George Eustice: I welcome the hon. Lady and her colleagues to the Front Bench of this diverse Department, and I associate myself with her comments about the terrorist attacks.

Following the decision to leave the European Union, we are holding a number of meetings with officials to plan for our next steps on trade—indeed, we will have a meeting today to hold such discussions. It will be a matter for a new Prime Minister and the Cabinet that they put in place, but early thinking and planning work is going on across the Government.

Rachael Maskell: I am concerned that resilience was not planned for by the Minister in advance of the EU referendum. Trade and regulations for our food and farming industry are linked to the EU more than in any other sector, yet the Government’s cuts to DEFRA up to 2020 will total a 57%—yes, 57%—reduction in its budget. In the light of that, will the Minister explain how his Department will have capacity to analyse the impact of the EU referendum, build resilience, and negotiate the way forward?

George Eustice: For the time being we remain in the European Union, and all existing arrangements continue. Only once we have concluded negotiations and left the European Union will we put future measures in place. On capacity in the civil service, some areas and some EU dossiers have a long-term horizon with which we will perhaps be less engaged and involved, and that will free up capacity for some of the planning work that we need for our own domestic policy.

Mrs Caroline Spelman (Meriden) (Con): I record my thanks to my hon. Friend the Member for Colchester (Will Quince) for providing us with a taste of Colchester yesterday. One of his constituency’s soft fruit farmers emphasised his concern about his resilience, and his dependence on EU migrant labour. Are plans in place to ensure that farmers are supported should migrant labour be reduced?

George Eustice: As my right hon. Friend will know, I have worked in the soft fruit industry, and I am familiar with the challenges that certain agricultural sectors face with seasonal labour. Ultimately, the decision that she refers to will be for a new Prime Minister, the Cabinet they choose, and the negotiations that they seek. In recent years we have had models such as seasonal agricultural worker schemes, and there are ways to ensure that the required labour is available.

Kerry McCarthy (Bristol East) (Lab): I tabled five written questions in the past week asking what assessment had been made of the impact of Brexit on a range of DEFRA-related areas, from air pollution to waste, water,
rural payments, fisheries, food standards and food safety. I got one answer back that basically said that everything remains in place and the negotiations are up to the future Prime Minister, which to me shows a shocking degree of complacency. DEFRA, almost more than any other Department, will be affected by Brexit, and I am not reassured by what I have heard this morning that that work has started.

George Eustice: I disagree with the hon. Lady. The Government put forward an assessment of the potential impacts of leaving the European Union, which was hotly debated during the referendum. Ultimately, the British public made an assessment of what they wanted to do, and the assessment is that they want to leave the EU. The job of the Government now is to implement that decision.

Endangered Species: Hunting Trophies

2. Kevin Foster (Torbay) (Con): What steps the Government are taking to prevent hunting trophies from threatened or endangered species being imported to the UK.

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart): The Government are absolutely clear that we will not allow the import of trophies from critically endangered species when it is unsustainable—tigers, for example. We have also increased the protection and controls on six other species, ranging from elephants to polar bears. We remain absolutely committed to banning the import of lion trophies unless we have significant improvements in lion conservation.

Kevin Foster: I thank the Minister for that answer and the general thrust of it. Does he agree, however, that it is morally wrong to kill the most endangered species merely to put a trophy on the wall, and that it would make sense to look to ban more widely the importation of those trophies that come from the most endangered categories?

Rory Stewart: I agree absolutely. All hon. Members would agree strongly that, if a species is critically endangered, it is not suitable to be hunted, let alone put on a wall as a trophy. We will look closely at scientific evidence across the range of endangered species. It will be extremely relevant to focus on that, with September and October being the time for the CITES conference in Johannesburg.

Mr David Hanson (Delyn) (Lab): Australia and France have both banned the use and import of lion products. What do they know that the Minister refuses to act upon?

Rory Stewart: We are looking closely at what Australia and France are doing. We have been working on a common EU-US position in order to change practices in Africa. It makes a huge difference that we do this together as 700 million people in the EU and the US rather than trying to do it individually.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): Following the EU referendum vote, we have no idea how the EU action plan against wildlife trafficking will be implemented by the UK Government. Is the Minister in a position to provide any assurances to the House today?

Rory Stewart: As my colleague the Minister of State has pointed out, the details of our position in relation to Europe will have to be determined by a future Prime Minister, but we played a very active role in drafting that plan and pushing for its contents. The hon. Lady will see in what we are doing in Vietnam our commitment to that plan. I reassure her that, certainly as long as I am in this position, the UK’s position is absolutely unequivocal.

Rural Development Programmes

3. Martyn Day (Linlithgow and East Falkirk) (SNP): What assessment she has made of the potential effect of the UK leaving the EU on rural development programmes.

6. Patricia Gibson (North Ayrshire and Arran) (SNP): What assessment she has made of the potential effect of the UK leaving the EU on rural development programmes.

The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): Until negotiations conclude and the UK leaves the EU, all existing arrangements remain in place, including rural development programmes across the UK. It will be for a new Prime Minister and his or her Cabinet to consider the future shape of rural development once the UK leaves the EU.

Martyn Day: The Minister may recall that Scotland voted to remain in the EU in the referendum. Will he commit that nobody in Scotland who benefited from the Scottish rural development programme will lose out on funding?

George Eustice: As I have said, while we remain in the EU, all existing arrangements remain in place, including our current rural development programmes. Nothing changes until negotiations have been concluded and a new partnership with the EU is put in place.

Patricia Gibson: Agriculture plays a major part in Scotland’s £14 billion food and drink industry. Following the uncertainty created by the EU referendum result, what reassurances can the Minister give today to ease the concerns that the result has caused among Scotland’s farming communities?

George Eustice: I can give farmers throughout the UK the reassurance that, for the time being, we remain in the EU, and all existing arrangements remain in place, including all existing support payments, until we leave the EU, and until a new type of partnership and a new domestic agriculture policy are put in place.

Mr Philip Hollobone (Kettering) (Con): I congratulate my hon. Friend on the energy, enthusiasm and intelligence he brought to the leave campaign. Having met farmers in my constituency in Kettering before the vote, it was clear to me that the senior leadership of the National Farmers Union had signed up to “Project Fear” and was trying to scare farmers and rural dwellers into
voting for remain. Now that the result has been decided—in Kettering, we voted overwhelmingly to leave—can we make sure that everyone involved in rural communities and farming talks up rural communities and farming, because we have a very bright future ahead of us?

George Eustice: I thank my hon. Friend for his kind comments. It is important, now the debate has concluded and the country has made its decision, that we move on and focus on next steps and the future. This week, I visited the Livestock Event and had meetings with many farmers. What I find interesting is that once we get past the initial shock—for some—of the decision, people engage with the detail of what might be possible in the future and become more excited about the potential for our future.

Mr David Nuttall (Bury North) (Con): Does the Minister agree that leaving the European Union will provide us with a tremendous opportunity to develop a tailor-made package of measures designed to support and help UK farmers? In fact, there is nothing to stop us starting to work on putting that package together right now.

George Eustice: My hon. Friend makes a very important point. I can reassure him that while no decisions will be made until there is a new Prime Minister who has chosen a new Cabinet, the Department is working on options that might be presented to the new Prime Minister.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): One claim from some leave campaigners was that Brexit would lower food prices. Now that Brexit is the decision the country has made, will the Minister tell us what options are available to deliver them?

George Eustice: Food prices are driven by a range of factors, most importantly energy prices, developments in weather around the world and exchange rates. Those are the key drivers of our food prices. I have always made clear that while food prices go up and down—they are down 7% over the past two years—they are driven by bigger events than EU membership.

Rebecca Pow (Taunton Deane) (Con): Many farmers and landowners are about to sign higher-level stewardship contracts, but there is a dilemma for Natural England. Many are 10-year contracts and in these uncertain EU times they are being put on hold. Will the Minister give assurances that these precious pieces of environmental biodiversity will not be at risk and that something will happen to protect them?

George Eustice: My hon. Friend puts her finger on an important point, which is that there will be areas and elements where we need continuity. We are having discussions across Government about how to ensure we secure that continuity without prejudicing what a future Prime Minister might want to do.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Meirionnydd is the Sir Nawd-Feature County at the Royal Welsh agricultural show this month and I hope Ministers will be able to attend. Will the Minister reassure the farmers of Meirionnydd and Wales by explaining what discussions he has had with colleagues in the Welsh Government regarding the funding of rural development and agricultural schemes in Wales?

George Eustice: I have regular discussions with my opposite numbers in the devolved Administrations. I hope I will be able to meet the new Welsh Administration when I next go to Council in Europe, which is in about two weeks’ time, and discuss these issues in more detail. I also hope to attend the Royal Welsh show this year.

Calum Kerr (Berwickshire, Roxburgh and Selkirk) (SNP): I welcome the shadow Minister and her team to their place. Will the Minister confirm that his plans to ensure the fair allocation of the convergence uplift are on track? Will he tell us when Scottish farmers should expect to receive increased payments?

George Eustice: We have always had a commitment to review the allocation of common agricultural policy budgets—the so-called convergence uplift, as the hon. Gentleman refers to it—during 2016. I had a meeting and early discussions with NFU Scotland in January. Now that the Scottish elections are over and we have passed the referendum purdah, I would expect to be able to progress those discussions with the Scottish Government in the autumn.

Data: Public Availability

4. Craig Whittaker (Calder Valley) (Con): What progress has her Department and its agencies made on making data publicly available in the last 12 months.  [905716]

The Secretary of State for Environment, Food and Rural Affairs (Elizabeth Truss): Last summer, I set a target for DEFRA of releasing 8,000 datasets. By this summer, I am delighted to say that we have achieved 11,000 datasets, which means that more than a third of Government data is DEFRA data. This is bringing real benefits to people, providing information about air quality, better flooding data and landscape data for farmers and architects.

Craig Whittaker: As the Calder Valley assesses how to spend the much appreciated funding for flood defences, many community groups want to contribute to alleviating floods—doing things such as planting trees, building dams and upland management, to name but a few. Will my right hon. Friend confirm that information on all water flows held by the Environment Agency and Natural England will be made readily available to help community groups to decide where the schemes should be placed?

Elizabeth Truss: My hon. Friend has done a fantastic job in championing the Calder Valley. I want to ensure that all that information is available so that we can manage whole catchments, including the Calder, for flood defences. What happened over last year’s very difficult floods was that more information was made available to the public. For example, there were 19.5 million hits on our flood information service website. What I want to do is make even more information available to the public.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Does the Secretary of State keep data on how many scientists are working in agricultural technology and on how
much money is spent on agricultural technology and research? Is she not worried that, with ChemChina taking over Syngenta and the amazing Jealott’s Hill research capacity, there is a real danger of our research space being eroded?

Elizabeth Truss: The hon. Gentleman is absolutely right that our research base and our agri-tech are vitally important. That is the future of agriculture, with more precision farming and better use of data. I am determined to do all we can to protect and grow that. That is why we are investing £160 million in our agri-tech budget. Of course we need to plan even more for the future.

Rob Marris (Wolverhampton South West) (Lab): Has the Department made available up-to-date data on the effect of the temporary neonicotinoid ban on both agricultural production and the health of bees, especially honey bees? If not, when will that data be available?

Elizabeth Truss: We are looking at further research in this area. More research is due to be published and there are already many published pieces of research. The hon. Gentleman will be aware that the decision on the use of neonicotinoids in the UK is made by the independent pesticides committee. It is made by Ministers, but we follow the scientific advice of that committee, whose minutes are fully published.

Regional Food and Drink

5. Graham Evans (Weaver Vale) (Con): What recent steps the Great British Food Unit has taken to promote regional food and drink.

Elizabeth Truss: We launched the Great British Food Unit in January to promote our fantastic British produce around the world. In April, I was in the US working to open the market for beef and lamb, as well as promoting fantastic British products such as the classic gin and tonic.

Graham Evans: That sounds good, but for me it is a bit early for gin and tonic! Food and drink exports, not least the world-famous Cheshire cheese, are very important for the Cheshire economy. Given this country’s decision to leave the European Union, how important is the role of the Great British Food Unit in helping farmers in my constituency and indeed throughout the UK to get the necessary export markets?

Elizabeth Truss: In my opinion, it is never too early for a gin and tonic! I completely agree with my hon. Friend. Now that the British people have made the decision to leave the European Union, how important is the role of the Great British Food Unit in helping farmers in my constituency and indeed throughout the UK to get the necessary export markets?

Graham Evans: In my opinion, it is never too early for a gin and tonic! I completely agree with my hon. Friend. Now that the British people have made the decision to leave the EU, the Great British Food Unit is even more important. We already have missions planned for the Gulf, China and Japan to open more markets for fantastic British food. I am going to increase the resources going into the Great British Food Unit to make sure that we turbo-charge our efforts to export more British food right around the world.

Sir Simon Burns: Does my right hon. Friend accept that Essex is home to some of the finest food, drink and countryside in the nation? What does she think is the link between food and tourism, and what more can be done to promote it?

Elizabeth Truss: We know that for a third of all visitors, food is a major factor in deciding where to visit. It is hugely important, which is why DEFRA is backing food tourism. We recently backed the “tour culinaire” to Yorkshire, which accompanied the cycle race and featured fantastic Yorkshire products such as liquorice. I would be delighted to discuss with my right hon. Friend how we could do something similar in Essex in respect of fantastic products such as Tiptree strawberry jam.

Richard Graham: The Secretary of State will be delighted to learn that, since she visited Gloucester Services in February, it has been given both a sustainability award and the first Royal Institute of British Architects award ever given to a motorway services station. Famously, while she was there she enjoyed a Gloucester Old Spot sausage for breakfast. I hope that she will now confirm that, during our renegotiations with the European Union, she will seek to extend the protections given to Gloucester Old Spot meat, Single Gloucester cheese, and other great British foods.

Elizabeth Truss: I thank my hon. Friend for a very enjoyable visit to Gloucester Services. I am delighted that its chief executive, Sarah Dunning, has agreed to be one of our food pioneers, promoting Great British food around Britain and around the world. I look forward to talking to my hon. Friend about how we can protect these great products when they are not just a matter for the European Union, but are more widely known around the world.

Mr Speaker: I call Nick Smith.

Nick Smith (Blaenau Gwent) (Lab): Cheers, Mr Speaker. [Laughter.] I am glad that the food unit is showing success. However, while the Secretary of State boasts about her support for British food, DEFRA headquarters sources almost half its food from overseas, and other Departments are falling even further behind. Why is DEFRA not ensuring that Departments back our great British food?

Elizabeth Truss: We absolutely are ensuring that Departments are backing British food. For example, more than 90% of the dairy products sourced by the Government come from the United Kingdom. There are, of course, some products, such as coffee, that we cannot yet produce in the UK, although now that we are able to produce our own aubergines, tomatoes and chillies, I am sure we are not far away from that.

Alison Thewliss (Glasgow Central) (SNP): One of the items on the Great British Food website is the promotion of the EU protected food name scheme. According to
the site, 73 products in the United Kingdom are protected under the scheme. What will replace it once the UK Government have dragged us out of the European Union?

Elizabeth Truss: I think the number of protected food names has risen to 74, but the website may not have been updated.

This is an extremely important issue, and it is one of the issues on which we are working at the moment. However, I hope that we will develop a British protected food names status in the future.

Jim Shannon (Strangford) (DUP): Armagh apples, Comber potatoes, Irish whiskey and Lough Neagh eels are just some of the protected food names that we have in Northern Ireland. What discussions has the Great British Food Unit had with Food NI to help promote those great foods and drinks throughout the United Kingdom of Great Britain and Northern Ireland?

Elizabeth Truss: I was delighted to visit Belfast and the huge show there, and to taste some of those products for myself. They are truly outstanding, and I am working closely with the Northern Irish Minister on promoting them throughout the world. They were heavily represented on our recent trade mission to China, and we will certainly be doing more work on that in the future.

Mr Speaker: As a Member has just left the Chamber while exchanges on the question to which he contributed were ongoing, may I gently point out to the House that Members should stay in the Chamber until all the exchanges on their question, or the question to which they contributed, have been completed? It is quite an elementary courtesy.

Badger Culls

8. Ann Clwyd (Cynon Valley) (Lab): What assessment she has made of the effectiveness of recent badger culls.

The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): During 2015, badger control operations in Somerset, Gloucestershire and Dorset were all successful in meeting their targets. According to the Chief Veterinary Officer’s advice, the results show that industry-led badger control can deliver the level of effectiveness that will enable us to be confident of achieving disease control benefits.

Ann Clwyd: Badger culling in England costs about £7,000 per badger killed. In Wales, the badger vaccination programme costs about £700 per badger vaccinated. Lord Krebs, who is a renowned expert on the subject, has continually said that “rolling out culling as a national policy to control TB in cattle is not really credible.”

Does the Minister accept that?

George Eustice: TB is costing the country £100 million a year, and that is why we have to act. The veterinary advice is clear—we cannot have a coherent strategy to eradicate TB without also tackling the disease in the wildlife population. Following advice from the World Health Organisation, the vaccination operations in Wales, as in England, have been suspended because there is a lack of vaccine.

Farmers: Support Payments

9. Angela Smith (Penistone and Stocksbridge) (Lab): If the Government will underwrite basic payment scheme payments at current levels until the end of 2020.

The Secretary of State for Environment, Food and Rural Affairs (Elizabeth Truss): Until we leave the EU it will be business as usual; farmers will continue to receive support payments. We are developing options for future domestic policy. Ultimately this will be a decision for the new Prime Minister. I am working very closely with organisations such as the National Farmers Union, the Country Land and Business Association, and environmental groups, which will have a role to play in helping us develop these policies.

Angela Smith: I am very pleased to hear that groups such as the NFU and the CLA are going to be involved in finding a way out of this mess. Can the Minister guarantee that the CAP subsidy up to 2020 will be underwritten not just for the basic payment scheme but for pillar 2 schemes—agri-environment schemes?

Elizabeth Truss: As I said, until we leave the EU those schemes will be in place, but when leaving takes place, after article 50 is triggered and the process is gone through, this will be a decision for the new Prime Minister. It is not a decision I can make at this stage.

Neil Parish (Tiverton and Honiton) (Con): It is not only important to keep the basic farm payment going but vital that we get it fixed, because the Rural Payments Agency is still having big problems. Lots of the payments to farmers have not been ratified and not properly made. What is actually happening with the Rural Payments Agency?

Elizabeth Truss: I can tell my hon. Friend that 99.6% of farmers have now received a payment. This year, for the first time, the system has had prepayment cheques to make sure that we did not overpay farmers and then end up having to claw back the money. That means that there will be a reconciliation period when we make the adjustments—that is taking place at the moment—so that farmers who had a problem in their application will receive the extra payment over the next few months. We are fully on track for payment on time next year.

Food Prices

11. Jessica Morden (Newport East) (Lab): What assessment she has made of recent trends in food prices.

The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): DEFRA monitors retail food prices through the consumer prices index. Year on year, food prices have continued to fall, with a 2.8% fall in the year to May 2016. We also monitor trends in household expenditure on food through the
family food survey. Following a period of higher food price inflation, retail food prices have fallen by 7% since their peak in February 2014.

Jessica Morden: Last week I visited a very successful food supplier in my constituency that told me that it was already putting up its prices because of changes in the exchange rate hitting imports, and predicted food inflation of up to 8% within months, following the leave vote. Clearly there are real impacts now. How will the Minister respond to a spike in UK food prices, which is a crucial issue for consumers?

George Eustice: As I explained earlier, one of the factors that has an influence on food prices is exchange rates. A number of analysts have been saying that in fact the pound has been unsustainably high against the euro for some time, caused by concerns about the weaknesses of the eurozone, and that the correction we have seen was overdue anyway. Exchange rates go up and down, but the crucial thing is that we have a competitive food supply industry in this country.

Apprenticeships

12. Huw Merriman (Bexhill and Battle) (Con): What recent steps the Government have taken to work with industry to increase the number of apprenticeships in the food, farming and agri-technology sector. [905725]

The Secretary of State for Environment, Food and Rural Affairs (Elizabeth Truss): The Government are committed to trebling the number of apprentices in the food and farming sector by 2020. I am delighted that the Skills Minister has committed to the apprenticeship levy being used by major organisations such as supermarkets and food manufacturers through the food supply chain, so that they can help small and medium-sized enterprises and farmers to take on apprentices.

Huw Merriman: As chairman of the all-party parliamentary group on bees, I got a tremendous buzz from welcoming apprentices of British bee farmers who are completing an innovative three-year programme in an industry with sales of over £100 million per year. What steps are the Government taking to encourage more honey providers to take on apprentices?

Elizabeth Truss: I thank my hon. Friend for his question. Honey is an important product for our country, generating over £100 million. As I have said, the apprenticeships that are created through the apprenticeship levy can be found throughout the food chain. DEFRA has its own beekeeper apprentice helping to maintain our hives at Noble House—DEFRA’s headquarters—where we produce our own Whitehall honey.

Topical Questions

T1. [905703] Alec Shelbrooke (Elmet and Rothwell) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for Environment, Food and Rural Affairs (Elizabeth Truss): Two weeks ago, the British people voted to leave the European Union. I will be ensuring that food, farming and the environment have a strong voice in the exit negotiations and in establishing our new domestic policies. Until we leave the EU, it is business as usual for farmers and the environment, and I am meeting relevant organisations to assure them of that. DEFRA’s work continues: we will shortly be publishing the national flood resilience review; we will be continuing with our Great British Food campaign and our work to open up new markets; and we will be developing 14 local environment plans.

Alec Shelbrooke: Following the devastating Boxing day floods last year, will my right hon. Friend tell me and my constituents what long-term plans are being put in place to protect low-lying villages in my constituency, such as Methley, Mickletown, Allerton Bywater and Woodlesford?

Elizabeth Truss: I thank my hon. Friend for his question. He has been an assiduous advocate of his constituency, ensuring that towns and villages in his area are not adversely affected by flood defences upstream. We will be working on an overall plan for the River Aire catchment, through which we will manage the overall river flow instead of looking at individual places. That will form part of our national flood resilience review, which we will be announcing shortly.

Rachael Maskell (York Central) (Lab/Co-op): The horticultural industry is particularly vulnerable following the leave vote due to the high proportion of EU seasonal workers in the sector. How will the Secretary of State ensure that our crops are harvested in this uncertain period by securing continued labour from the EU?

Elizabeth Truss: I thank the hon. Lady for her question and welcome her to the Dispatch Box. She was a fantastic advocate for her constituents during the difficult flooding in York, and I look forward to working with her.

As for agricultural workers, my constituency is a great producer of salad vegetables and onions, and I fully understand the importance of EU workers to our agricultural industry. It will be one of the key things that DEFRA will work on, putting the case across Government to ensure that we continue to have that supply of workers.

Rachael Maskell: It is evident from the Secretary of State’s responses that her Department did not make contingency plans for a leave vote, failing in its duty to protect not only one of our major industries, but those who work in it. Will the Secretary of State confirm that all EU citizens working in farming can remain in the UK, which the vote on yesterday’s Opposition day motion called for, and that she has already made representations to the Home Office?

Elizabeth Truss: It is absolutely clear that it is business as usual while we remain members of the EU and that those workers will continue to work in those areas. The reality is that I cannot make decisions for a future Prime Minister. That is the fundamental issue here and that is why my job over the coming months is to be a strong voice for farming and the environment in the overall negotiations.
T2. [905704] **John Stevenson** (Carlisle) (Con): Following the floods in Carlisle, I am concerned that a group of leaseholders will not be able to get insurance under Flood Re. They consist of 68 long leaseholders with a management company as the freeholder with responsibility for insurance. That management company has not been able to obtain insurance so far. Will the Minister look into the issue and consider amending the legislation if necessary?

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart): In addition to welcoming the shadow Secretary of State to her position, may I also welcome my friend the hon. Member for Newport West (Paul Flynn) to his position?

As for the flooding in Carlisle, my hon. Friend the Member for Carlisle (John Stevenson) is a great champion of his constituency. If there is an individual leasehold property, it would be covered with affordable insurance under Flood Re. Unfortunately, when there is a larger number of properties, such as the more than 60 properties that the landlord has in this case, it would be classified as commercial insurance and would require a bespoke, tailored commercial insurance product from the insurance industry. I am happy to look at the individual case, and the British Insurance Brokers Association is also coming up with tailored products exactly to address such commercial risks.

Mr Speaker: I am grateful to the Minister for his erudite treatise.

T4. [905706] **John Nicolson** (East Dunbartonshire) (SNP): Scotland’s food and drink industry exports £725 million-worth of produce to the European Union. Given the disastrous Brexit vote, what impact does the Minister believe any restrictions on the seasonal workforce will have on the industry north of the border?

Elizabeth Truss: I thank the hon. Gentleman for his question. It shows why we are turbo-charging the work of the Great British Food Unit, to make sure that we open up new markets and get more of our products out into the world, as well as into the European Union. I am clear that agriculture and food has major export growth potential, which is why I am having a meeting today with the Business Secretary to talk about our trade negotiations and making sure that food is a key part of those.

T3. [905705] **Luke Hall** (Thornbury and Yate) (Con): Our farms have some of the highest livestock welfare standards in the world, so how will that be recognised in upcoming trade negotiations? We will be doing our farmers a disservice if cheap imported food produced with very little regard for livestock welfare comes into the UK.

The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): My hon. Friend makes an important point. He will be aware that we have a manifesto commitment to recognise animal welfare standards in our trade negotiations. That is particularly important in sectors such as poultry meat during Transatlantic Trade and Investment Partnership discussions, and I can assure him that we make these representations to the European Commission.

T8. [905711] **Jeff Smith** (Manchester, Withington) (Lab): The Government decided against using DEFRA funding to implement a clean air zone in Manchester. Greater Manchester is expected to miss our 2020 air quality targets, because of the high levels of nitrogen dioxide and particulate matter caused by road transport. Will the Government look again at a scrappage scheme for older vehicles and at incentives to encourage the use of hybrid and electric cars?

Elizabeth Truss: I thank the hon. Gentleman for his question. According to our projections, Greater Manchester will hit, by being below, the 40 mg target, which is why it has not been included in the mandatory clean air zones. We are shortly about to consult on those, but the legislation is in place for Greater Manchester to put in that clean air zone if it wishes to do so; I believe in devolution, and surely it is a matter for the local council if it wants to take that forward.

T5. [905707] **Rebecca Pow** (Taunton Deane) (Con): The recent Environmental Audit Committee report on the important subject of soil highlighted that a significant proportion of our agricultural land will be become unproductive within a generation. Will the Minister therefore meet me to discuss the sustainable management of soils, so that emphasis is put on treating them as ecosystems, rather than as growing mediums? A monitoring scheme would really help.

Rory Stewart: My hon. Friend correctly says that soils are not just for short-term production; they are incredibly important stores of organic matter. There is a lot that we can do, and are doing, on precision farming and shelter belts. Rothamsted Research is also doing work on this issue, but I would be delighted to meet her and to make sure that this is central to our 25-year plan.

Lilian Greenwood (Nottingham South) (Lab): More than half the population of England live within an hour of a national park, but many young people and their families struggle to get to them because rural bus services have been hit by devastating cuts and eye-watering fare rises. This is Catch the Bus week, so can the Secretary of State tell us what discussions she has had with the Transport Secretary about making our countryside accessible by public transport?

Rory Stewart: DEFRA takes that very seriously; we have a responsibility for rural affairs. We have very regular contact with the Department for Transport on this issue, and we supported it on developing community bus schemes. There is much more we can do. As the hon. Lady has pointed out, without communications connections, which buses are central to, rural areas will be disadvantaged.

T6. [905708] **Craig Whittaker** (Calder Valley) (Con): On 27 April, the Prime Minister confirmed to my hon. Friend the Member for Selby and Ainsty (Nigel Adams) that the Government are working on a flood insurance plan for the many small and medium-sized businesses in flood-risk areas that are excluded from insurance cover. Will the Minister update the House on how those plans are going?
Rory Stewart: My hon. Friend has been an extraordinary champion for his constituency—indeed, he had a late Christmas day celebration a couple of days ago. I saw at first hand with him the devastation for businesses in Calder Valley, ranging from furniture shops to carpentry manufacturers. The problem on commercial insurance is, of course, that different businesses have different attitudes towards interruption payments and excesses. However, that is being addressed through the BIBA process and, most importantly, through the investment in flood defences.

Nia Griffith (Llanelli) (Lab): I fully understand the 2009 cut-off date for Flood Re, of which developers and local authorities should have been fully aware, but what more can the Minister do to make it legally binding to inform purchasers that they will not be eligible for Flood Re? What about properties that are downhill of new developments that have subsequently become more at risk as a result of developments built since 2009?

Rory Stewart: Fundamentally, the answer to these issues is to ensure that we have good flood defences and that we build resilience in housing, but it is absolutely correct to say that we need to ensure that transparency is part of that. Somebody buying a house needs to know that it is at flood risk so that they can make an intelligent decision—ideally, it would be not to buy that house.

T7. [905710] Andrew Stephenson (Pendle) (Con): The excellent annual Trawden show takes place on Sunday 14 August. Will my right hon. Friend join me in congratulating Trawden and District Agricultural Society on organising the event, and does she agree that agriculture shows in communities play a key role in promoting agriculture to a wider audience?

Elizabeth Truss: Agriculture shows are fantastic. I have been to a large number this year, culminating in the fantastic Norfolk show last week. I want to give my compliments to the Trawden show and wish it all the best for 14 August.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): Literally thousands of EU nationals play an indispensable role in fish processing and agriculture businesses in my constituency, yet this week the Government have failed to give any reassurance that these people will be allowed to live and work here post-Brexit. Will the Secretary of State and her Ministers make every effort to use all their influence with the Home Secretary to provide some certainty at an early stage for these people and these businesses?

Elizabeth Truss: As I said in response to an earlier question, I agree that the EU workers are an important part of both the agriculture and fishing sectors, and we are working on this at the moment.

Mr Speaker: Finally and very briefly, Mark Menzies.

Mark Menzies (Fylde) (Con): The Royal Society for the Protection of Birds has a very important visitor centre at Fairhaven lake in my constituency. The Ribble estuary, one of the most important estuaries anywhere in the UK, attracts about 270,000 birds per year. What are the Government doing to ensure that local children are engaging with the RSPB and gaining bird knowledge?

Rory Stewart: That is a fantastic result—270,000 birds. The Environment Agency and Natural England are working very closely with the RSPB in the Ribble estuary. Connecting children to nature is absolutely essential. If we are to protect nature for the future, people need to love it. The key is to ensure that children not only access nature, but understand it and respond to it.

Several hon. Members rose—

Mr Speaker: Order. We come now to questions to the Second Church Estates Commissioner, the right hon. Member for Meriden, representing the Church Commissioners, and to the right hon. Member for South West Devon—[Interruption.] I mean the hon. Member for South West Devon (Mr Streeter)—it is only a matter of time—representing the Speaker’s Committee on the Electoral Commission.

CHURCH COMMISSIONERS

The right hon. Member for Meriden, representing the Church Commissioners was asked—

Out-of-school Education Settings

1. Oliver Colvile (Plymouth, Sutton and Devonport) (Con): What discussions the Church of England has had with the Government on plans to regulate out-of-school education settings.

2. Andrew Stephenson: (Pendle) What discussions the Church of England has had with the Government on plans to regulate out-of-school education settings.

The Second Church Estates Commissioner (Mrs Caroline Spelman): Representatives of the Church of England have taken part in detailed consultations with the Government over the proposals to regulate out-of-school settings. I recently led a delegation of Back Benchers to a meeting at the Cabinet Office and we learned that this policy remains under review. I am hopeful that something will emerge that meets the key concerns that many of us have voiced.

Oliver Colvile: What discussions has my right hon. Friend had with the Government regarding the new portiosity and the current role of existing regulations, such as data barring service checks, in out-of-school settings?

Mrs Spelman: This is important because the Church of England provides 500,000 children with out-of-school education activities, which involves 80,000 volunteers. However, as hon. Members will know, anyone who works with children in out-of-school settings has to be subject to a careful check—the Disclosure and Barring Service check. There is no suggestion that our representations to Government in any way undermine
our determination that children should be well protected, but we believe that they are in what the Church of England provides.

Andrew Stephenson: Religious organisations across Pendle, including Islamic education centres in Brierfield and Nelson, and the Barnoldswick Gospel Mission, which currently runs a Sunday school, have expressed concerns that the Government plans will be restrictive and prevent them from expanding their current educational work. In my right hon. Friend’s discussions with Government, has she received any further indications of a time scale for when these proposals may be brought forward?

Mrs Spelman: I am as anxious as my hon. Friend to have a rapid outcome on this decision, but, until a new Prime Minister is in place, Ministers are saying clearly that the final decision cannot be made. We received an assurance from the Minister for Schools that the Government have no intention of seeking to regulate religion or to interfere in parents’ right to teach children about their faith and their heritage.

Jim Shannon (Strangford) (DUP): Does the right hon. Lady agree that any Church activities—Sunday schools, Brownies, or Boys or Girls Brigades, to name a few examples—must not be unduly affected by the Government’s plan for out-of-school regulation?

Mrs Spelman: We impressed on Ministers that the kind of out-of-school activities that the Church provides, which the hon. Gentleman has just cited, are subject to rigorous checking processes within the Church. Indeed, we reminded Ministers that providing such out-of-school education in a domestic setting is governed by childminding regulations.

Human Trafficking

2. Henry Smith (Crawley) (Con): What recent steps have been taken by the Church of England to tackle human trafficking.

Mrs Spelman: The Bishop of Derby has been at the forefront of working to tackle human trafficking and modern slavery within the Church. I had the pleasure of serving with him on the pre-legislative scrutiny Joint Committee on the draft Modern Slavery Bill. He has set up and been part of the Santa Marta process to improve collaboration between Churches and police forces in the detection of instances of human trafficking.

Henry Smith: I am grateful to the right hon. Lady for that answer. What plans does the Church have to roll out that scheme to the rest of England. With Gatwick in my constituency, I would certainly like to see that.

Mrs Spelman: We all understand my hon. Friend’s concern because of his constituency’s location. The Church is building on the Bishop of Derby’s work and intends to launch the Clewer initiative against modern-day slavery in the autumn. It will be designed to combat modern-day slavery across England and provide parishes and dioceses with strategies to detect instances of modern-day slavery.

Mr Philip Hollobone (Kettering) (Con): One of the most powerful ways to get any message across is from the personal testimony of victims. A lot of people are realising that human trafficking is hidden in local communities, so what efforts is the Church making to identify and encourage Christian victims of human trafficking to bear witness in their churches and communities?

Mrs Spelman: When I served on the Joint Committee on the draft Modern Slavery Bill, the hidden nature of trafficking became apparent, and Churches can lift the lid on the prevalence of trafficking in the society in which we live. It is incumbent on us all to have our eyes and ears open and to ask questions when we suspect that someone may be being exploited as result of trafficking.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for South West Devon, representing the Speaker’s Committee on the Electoral Commission, was asked—

Referendum Manifestos

4. Dr Rupa Huq (Ealing Central and Acton) (Lab): If the Electoral Commission will make an assessment of the merits of requiring lead campaign groups to publish manifestos to publish manifestos.

Mr Gary Streeter (South West Devon): Thank you for your earlier endorsement, Mr Speaker.

The Electoral Commission is collecting information to inform its statutory report on the EU referendum, and I will pass the hon. Lady’s suggestion to it for its consideration.

Dr Huq: Rapidly after the referendum results, central claims on both sides evaporated—the extra spending for the NHS, the emergency punitive Budget, and the UK being the fifth largest economy—so surely, if we are ever to conduct referendums again in this country, should not the lead campaigns on both sides publish measurable claims in a manifesto, so that truth is not the casualty of the scramble for votes?

Mr Streeter: The Electoral Commission has no desire whatsoever—it certainly has no such power at the moment—to sit in judgment on the truthfulness of any claim made in any campaign. The hon. Lady’s idea that lead campaigns should produce manifestos is an interesting one that I will pass on to the commission for its consideration of the referendum overall.

Mr David Nuttall (Bury North) (Con): May I urge my hon. Friend to ensure that the Electoral Commission does not waste its time carrying out such an assessment? Manifestos are for political parties and, by definition, a referendum is on a single issue.

Mr Streeter: My hon. Friend makes a powerful point, but the Electoral Commission will carry out an assessment of the conduct of the EU referendum, including a survey of people’s levels of satisfaction of several aspects of the referendum, and that will be produced in the report, which will be made available to hon. Members.
Margaret Ferrier (Rutherglen and Hamilton West) (SNP): In advance of the Scottish independence referendum, the Government published “Scotland’s Future”—a comprehensive White Paper and blueprint for how the transition to independence would be managed. The complete lack of a coherent plan from the leave campaign and the chaos that has ensued has highlighted a huge disparity. What is the Government’s position on manifestos for referendums?

Mr Streeter: Certainly, prior to 9 September, I do not speak for the Government, and therefore it is not a matter for the Electoral Commission.

Kevin Foster (Torbay) (Con): As my hon. Friend will know, and as my hon. Friend the Member for Bury North (Mr Nuttall) pointed out, referendums are about settling a single question, not electing a Government on a manifesto. However, one thing that many people do want is facts. Does my hon. Friend agree that it would be worth the Electoral Commission looking at whether a fact checker-style website could be a useful source of information, given the claims made in the Scottish and EU referendums?

Mr Streeter: It is important that the Electoral Commission remains independent in our political debates, and it has no desire whatever to sit in judgment on the truthfulness of any claim or counterclaim. It is important, however, that all sides are responsible in the claims they make, and there are various independent means of verifying claims, but that is not a matter for the Electoral Commission.

CHURCH COMMISSIONERS

Lords Spiritual

5. Alan Brown (Kilmarnock and Loudoun) (SNP): If the Church of England will make it its policy that bishops sitting in the House of Lords do not participate in debates or vote on legislation that relates to Scotland. [905697]

The Second Church Estates Commissioner (Mrs Caroline Spelman): I was slightly surprised by this question. I perfectly appreciate that the SNP is opposed to the House of Lords on ideological grounds, but I was unaware that it had adopted a narrow position on the Lords Spiritual. I expect the irony is not lost on the hon. Gentleman that he is exercising his right as a Member of this House representing a Scottish constituency to scrutinise the affairs of the Church of England—a scrutiny, I would add, that I welcome.

Alan Brown: I would point out that legislation on English votes for English laws means that I, as a Member of this House, cannot vote on issues that pertain to England only. [Interruption.] No, I cannot—my vote is discounted. I would therefore ask the right hon. Lady to reconsider the position on the Lords Spiritual participating in proceedings on legislation that affects Scotland.

Mrs Spelman: All Members of the other place are able to take part in proceedings on legislation—put before Parliament, and bishops take that duty very seriously. They are independent, and they do not take the party Whip, so these things are up to each of them. At least two of them have family links to Scotland, which may give them a reason to have a closer interest. This may be the moment for me to come out in the Chamber as a half-Scot—my maiden name was Cormack, from the Clan Buchanan. I think that demonstrates the point that there are Members in all parties and in both Houses who have a great love for Scotland.

Women Bishops

6. Mr Barry Sheerman (Huddersfield) (Lab/Co-op): What steps the Church of England is taking to encourage the appointment of more women bishops. [905698]

7. Michael Tomlinson (Mid Dorset and North Poole) (Con): What plans the Church of England has to promote women in leadership positions. [905699]

Mrs Spelman: As the hon. Member for Huddersfield (Mr Sheerman) has assiduously asked me this question on several occasions, I am delighted to be able to inform him that a further six women have been appointed as bishops: the diocesan Bishop of Newcastle, with a seat in another place, and five suffragan bishops—of Taunton, Aston, Sherborne, Repton and Dorking.

Mr Sheerman: I thank the right hon. Lady for that excellent answer. As she mentioned, this is a bit of a campaign on my part. I want to fill the churches, and one of the ways we do that is by having more women bishops. However, how many are there out of the total number? What is the percentage? There are some very good women who have not been promoted yet.

Mrs Spelman: This is a campaign the hon. Gentleman is well able to take some credit for, and I am sure my predecessor is too. Some 18 suffragan bishops have been appointed, eight of whom have been women, which is 45% of all appointments.

Michael Tomlinson: Will my right hon. Friend join me in welcoming the new Bishop of Sherborne, Karen Gorham, to her place? Her first official engagement was a confirmation service in Lychett Minster parish church, at which, I am proud to say, my son was one of the candidates. However, does my right hon. Friend agree that Karen Gorham’s appointment will encourage other women into leadership positions in the Church of England?

Mrs Spelman: Yes, indeed, and I congratulate my hon. Friend on his son’s confirmation. An increasing number of younger women have indeed entered the priesthood. Some 47% of the clergy ordained in 2015 were female, and 22% of the women ordained in 2015 were under 40.

Mr Speaker: I hope the whole House wishes to congratulate Tomlinson junior. That is now on the record.

Disadvantaged Communities

8. Derek Thomas (St Ives) (Con): What work the Church of England is undertaking to help improve the life chances of people in disadvantaged communities. [905701]
Mrs Spelman: The Church of England’s House of Bishops recently published a new discussion paper, “Thinking afresh about welfare”, which is intended to help discussion across the Church as it engages with the Government’s life chances agenda.

Derek Thomas: The Church of England and other denominations and faith groups have always led the way in helping our most vulnerable people. Does my right hon. Friend agree that faith groups and voluntary organisations are ideally placed to help the Government improve life chances for all, including the homeless, young people and people with disabilities?

Mrs Spelman: Yes. The diocese of Truro is particularly committed to improving the life chances of children and young people living there, including on the Isles of Scilly. That is lived out principally through the schools, which are committed to building character and improving employment skills. However, I did just notice that there is a homeless breakfast initiative in Penzance, so these efforts are not confined to children, but also extend to adults.

Historic Churches: Toilet Provision

9. John Mann (Bassetlaw) (Lab): What assessment the Church Commissioners have made of the adequacy of toilet provision for visitors to historic churches.

Mrs Spelman: The Church Buildings Council has been promoting through its “Open and Sustainable Churches” initiative how parishes can adapt their buildings for wider community use. Most schemes for work in church buildings that the Church Buildings Council now see will include installing an accessible toilet if there is not one already present.

Mr Speaker: Let us hear the views of Mr Mann on the matter of toilets.

John Mann: Mr Speaker, imagine that you came to visit the historic Scrooby church to celebrate the 400th anniversary of the Pilgrim Fathers, and, as a modern man, drank tea or coffee on the way, which people did not do when these historic churches were built. It would be easy to be caught short. Many of these great historic churches lack toilets. Should not a fund be created somewhere to allow visitors the comfort break that may be required, given that we live in a modern coffee and tea-drinking era?

Mr Speaker: The House is very expectant. We really want to hear this answer.

Mrs Spelman: I am delighted to be able to say that the Church is making great progress with the provision of the facilities that the hon. Gentleman describes. Currently, 55% of the 31 listed Church of England churches in his constituency have installed new toilet and kitchen facilities.
Business of the House

10.31 am

Paul Flynn (Newport West) (Lab): Will the Leader of the House give us the business for next week?

The Leader of the House of Commons (Chris Grayling): The business for next week is as follows:

Monday 11 July—Conclusion of consideration in Committee of the Wales Bill.

Tuesday 12 July—Opposition day (5th allotted day). There will be a debate on an Opposition motion. Subject to be announced.

Wednesday 13 July—Motion to approve a statutory instrument relating to terrorism, followed by general debate on the report of the Iraq inquiry (day 1).

Thursday 14 July—Conclusion of the general debate on the report of the Iraq inquiry.

Friday 15 July—The House will not be sitting.

I should also like to inform the House that the business in Westminster Hall for 18 July will be:

Monday 18 July—Debate on an e-petition relating to changes to the student loans agreement.

Paul Flynn: I thank the Leader of the House for that information. As the Speaker now processes majestically from the Chair to Speaker’s House, I wonder whether he has been issued with a parliamentary umbrella. Last week, I noticed two yellow buckets on the route to collect the rain, and today there is one white bucket. Will the Leader of the House tell us when we are going to get this palace into a habitable state? Can he also remind us which party promised to fix the roof while the sun was shining?

The House is grateful, as ever, to the right hon. and learned Member for Rushcliffe (Mr Clarke). He is a rarity on the Government Back Benches as a man who is occasionally caught in possession of an intelligent thought, and who speaks real English—the language that the rest of us speak. This week, he gave us vital intelligence on the three remaining candidates for the leadership of the Tory party: one of them is “bloody difficult”; one does not expect to deliver on the extremely stupid things she has been saying; and one would declare war on at least three countries. We have a legitimate interest in this, because the winner of this race will also be the Prime Minister.

I suggest to the Conservatives that they perhaps repeat the great success that they had in Totnes, where they introduced the system of a primary vote in which everyone took part. It would be wonderful to have the chance to write-in a candidate such as the right hon. and learned Member for Rushcliffe. Happily, at his time of life, he has passed beyond the stages of ambition and vanity that afflict many in political life. If he is reluctant to return to the Dispatch Box because he is of a certain age, let me remind him of what I have discovered: the Dispatch Box is a vital support and a wonderful alternative to a Zimmer frame.

Two days next week are given to a matter of the highest importance. Chilcot concluded that the UK chose to join the war in Iraq before the peaceful options were exhausted. We must not let artifice, denial, spin, delusions and expensive barrister-created obfuscation mask the vital Chilcot truths. Chilcot concluded that Government, Opposition and three Select Committees of this House were wrong in 2003, and our decisions led to an avoidable war.

Our reputation as politicians fell to rock bottom during the expenses scandal, but since then it has fallen further and it is now subterranean. We need to recognise the whole truths of Chilcot. We should debate this next week in a very serious atmosphere. We did it: the decisions were taken in this House. I and many other Members were here at the time. Our mood should be one of humility, penitence and respect for all those who put their lives at risk at our command.

The dedication, professionalism and courage of our servicemen were as great and splendid as any in our entire proud military history. We want to express in those two days next week our profound gratitude to all who have given their lives and their service, and who have been maimed in body and mind by the experience of going to the wars, some of which—Kosovo and Sierra Leone—were magnificent achievements in the extension of peace and human rights around the world.

There is another group that we need to bear in mind next week. Our heartfelt sympathy goes out to the loved ones who were bereaved by the war. We saw yesterday that they were forced to revisit their grief with the added pain of the knowledge from Chilcot that their loved ones possibly died in vain. To them, Parliament should offer our heartfelt sympathy, our regrets and our apologies, because we know that the responsibility was ours. We should hope above all that the spirits of all who died as a result of our decisions may now rest in peace.

Chris Grayling: It is worth the whole House remembering that today is 7 July, and it is appropriate to remember the victims of the terrorist attacks that took place on this day in 2005. It is also appropriate to send our good wishes and commiserations to the Welsh football team. They have done this country proud and they have done Wales proud. They have exceeded all expectations, and I hope and believe that they will go on to great things at the World cup, when the time comes.

I congratulate the hon. Member for Newport West (Paul Flynn) on being here again. I was not entirely certain whether he would still be with us this week, because there have been so many changes in the Opposition. Not only is he still here, but he has another job; he is now also the shadow Welsh Secretary. I congratulate him on that appointment and on becoming one of the longest-serving members of the shadow Cabinet. I hope to see him here again next week.

On the Chilcot report, we all acknowledge that it is a substantial piece of work and all involved in its preparation deserve a lot of credit. It has taken a long time to come, and we have had lots of discussions in this place about when it would arrive, but I do not think that anybody could say that it is not an exhaustive piece of analysis that has set out for us all the rights and wrongs of what took place 10 years ago.

I know that the hon. Gentleman feels immensely strongly about this issue. He has been a consistent advocate for the point of view that he has just articulated, and I commend him for that. I hope that the fact that the Government have provided a two-day debate on this
matter next week is a sign of how seriously we take it, and how seriously we take the need to understand the rights and wrongs of the decisions that were taken a decade ago. He wants to make sure that it is an appropriate moment for this House to pay tribute to our armed forces, to those who lost their lives, to those who were injured and to their families. In all circumstances we should recognise the enormous contribution that our armed forces make, the bravery of the people in them, and the bravery of their families.

The hon. Gentleman referred to fixing the roof while the sun is shining. A large programme is taking place to restore some of the Victorian roofing. The Committee looking at the restoration and renewal project is heading towards the completion of its work. Over the coming years, we will all have to work together to make sure that this building is made fit for this century. It is the heart of our democracy. He is right to identify that many things are currently wrong with it but we have a duty to sustain it as the heart of our democracy and protect it for future generations.

The hon. Gentleman mentioned the comments of my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke). I suspect that the Home Secretary will not be distressed by being likened to Margaret Thatcher. I understand the hon. Gentleman’s enthusiasm for taking part in the Conservative leadership election, and for being able to express a view on who our next Prime Minister will be. To be honest, if I was on the Opposition Benches I would want to take part in our leadership contest as well, because try as it might, no matter how hard it struggles, the Labour party does not seem to be able to have one itself.

Philip Davies (Shipley) (Con): May we have a debate on flooding? It seems a long time since my constituency and many others were affected by the terrible floods over Christmas, but we should not forget the people affected just because it is now summer and the weather is better. Many people are still not back in their homes. Many of the flood defences required to make sure that that situation does not happen again have not been put in place. We could either have a debate or the Leader of the House could ask the Secretary of State for the Environment, Food and Rural Affairs to make a statement on the progress made in helping those affected and the work needed so that people do not have to suffer the same distress again.

Chris Grayling: On the Chilcot report, I reiterate that it is right and proper that business next week is dominated by the Chilcot report. We are all grateful that the Leader of the House has listened to the many representations made on all sides of the House for the debate to be extended to two days. Although we are grateful for the debate, most of us are starting to think about what will happen beyond it and in particular what means are available to hold those responsible for the disaster to account. The only people who have thus far lost their jobs in this whole calamity are two BBC journalists. I am sure that the public are now appalled and sickened after listening to Tony Blair—his defiance of the report, his lack of contrition and his half-hearted meaningless apology, with no recognition of the scale of the disaster. Will the Leader of the House explain what means and methods we have to hold those responsible to account in this House?

Although we are having two days of debate on the last Labour Government’s era-defining disaster, we still have not had one on this Government’s one. In the two weeks since this country made the decision on the European Union there has been no Government-sponsored debate on the EU referendum or Brexit. It is almost a dereliction of duty. I do not know whether it is a case of denial from the Government or they genuinely do not have a clue, although I suspect it is a combination of the two.

This morning we have heard all sorts of rumours on social media about a decision on Trident. Will the Leader of the House now explain when we will have the vote on Trident rather than leaving it to rumour and hearsay?

Lastly, may we have a debate on the overthrow of elites, in political parties in particular? This morning I looked up the definition of coup. Apparently it is the sudden appropriation of leadership or power and its replacement by other elites within the state apparatus. Today there is almost a physical boundary on the Opposition Benches between the two sides of the Labour party—we can see the barrier there. The chicken coupers must be the most inept coupers ever: no strategy, no challenger, just spineless inertia, with the vain hope that their Front-Bench team will somehow just go. Let us have that debate and see whether they can learn from the hand of history.

Chris Grayling: On the Chilcot report, I reiterate that it is right and proper that we have a two-day debate. That is the job of this House. It is not for this House to consider whether there are specific measures that can be taken against individuals. That is a matter for the relevant authorities, and it is not for us as a Parliament to debate those matters. There will be plenty of opportunity for this House to express its opinions about the role played by individuals and organisations in that process and that decision making. Sir John Chilcot has provided for everyone in this House a detailed range of information that can be drawn on for that debate, and I have no doubt that the hon. Gentleman and his colleagues will play an active part in it.

On the EU referendum, the country has just had a four-month debate, and we have had a verdict from the United Kingdom. I know the hon. Gentleman still cannot get to grips with the fact that we are part of the United Kingdom together. I value being part of the United Kingdom Parliament with him. He adds something
[Chris Grayling]

extra to this institution, and long may that continue. We have just had a very lengthy debate on the referendum. There are plenty of opportunities to debate this—virtually every day at oral questions and when the Prime Minister is here. We have had statements on the outcome of the referendum, we have had Opposition day debates, and we will be debating the matter for some months to come.

As I have been clear over the months, we will have a debate on the future of Trident, and I can assure the hon. Gentleman that when we are ready to announce the date for that, we will do so to this House.

The hon. Gentleman mentions the overthrow of elites. It is nice to find something on which we have a common view. Until he mentioned it, I had not spotted the completely empty row on the Labour Benches, but it is a bit surreal. It is as if the whole thing has turned upside down. [Interruption.] It is like “Alice Through the Looking Glass”—the Front Benchers have moved to the Back Bench, and the Back Benchers have moved to the Front Bench. Who would ever have imagined the Front-Bench team that we see there now? Never in our wildest imagination did we imagine that the Labour Opposition could find themselves in such a predicament. The hon. Gentleman is right—they cannot even organise their own coup or their own leadership contest. If they cannot do that, they are utterly unfit ever to run the country.

Bob Blackman (Harrow East) (Con): I rise on behalf of the hon. Member for Gateshead (Ian Mearns), who is attending the opening of a section of the A1M. Unfortunately, the A1M was built over a disused mine shaft and a 30-foot sinkhole has appeared, but don’t worry—officials are looking into it.

As a consequence of the two-day debate on the Chilcot report, a Back-Bench business day has been lost. On behalf of the Backbench Business Committee, may I ask the Leader of the House to confirm as soon as possible that 21 July, the last sitting day before we rise, will be allotted to the Backbench Business Committee so that we can publicise the pre-recess Adjournment debates?

I speak now on my own behalf. An excellent report was published this week by the Royal Commonwealth Society on introducing two-year visas for people from India. Will the Leader of the House arrange for a debate in Government time on visa requirements for people from India and other countries outside the European Union so that we can grasp the opportunities to set and control our own borders?

Chris Grayling: On the earlier point, we will do everything we can to make sure that we provide information about allocated days in a timely way and that we make provision for the Backbench Business Committee, as is normal. My hon. Friend will not be surprised to learn that the Government felt that last week it is important to have the debate on the Chilcot report and to have that debate across a two-day period. I hope the Backbench Business Committee will understand that.

With regard to visas, I am sure that the Home Secretary will have noted the points that my hon. Friend makes. It is important now, given the decision that this country has taken to leave the European Union, that we maximise the opportunities that we have to forge free trade links around the world. It is encouraging that a number of our Commonwealth friends in particular have come forward and said that they believe that free trade arrangements between us and them will be beneficial for the future.

Diana Johnson (Kingston upon Hull North) (Lab): I thank the Government for producing a written statement on cremations and baby ashes, and I pay tribute to the Under-Secretary of State for Women and Equalities and Family Justice for her work on that issue. I also thank Action for Ashes, and my constituent, Tina Trowhill, and other families up and down the land who are involved with this matter. Will the Leader of the House have a word with the three Cabinet Ministers who wrote to Hull City Council to ask it to hold a local inquiry into baby ashes in the Hull area? The chief executive of the council wrote back to ask for clarification on the terms of reference, and whether any financial support was available to pay for the local inquiry. We have not yet received a response, and families want to get the matter under way as soon as possible.

Chris Grayling: This is a deeply sensitive issue, and I pay tribute to those families who have been brave enough to campaign for an improved situation, given the difficulties they have been through. I will certainly chase up that response for the hon. Lady, and try to ensure that it is sent as quickly as possible.

Mr Ian Liddell-Grainger (Bridgwater and West Somerset) (Con): One thing that unites this House is the abhorrence of modern slavery. The Commonwealth Parliamentary Association UK, of which I am chairman, is working on a report on that issue. However, the funding we need is being held up by the Home Office, so we have not done it. The work done by the right hon. Member for Birkenhead (Frank Field) has been superb over many years. In the absence of receiving that money, could we have a debate in Government time to discuss an issue that I know brings the House together, so that we can send a united voice across the world to say that we do not approve of modern slavery and that the entire House says that it must stop now?

Chris Grayling: Members across the House should be proud that this country passed the Modern Slavery Act 2015, and we have taken a lead on this issue. My hon. Friend’s work with the right hon. Member for Birkenhead (Frank Field) in an area where there is no political difference and on which we are politically united is an example of this House at its best. We are often only seen by the public debating with each other in a lively way, but great work takes place across the House, and long may it continue.

Mr John Spellar (Warley) (Lab): In the light of Brexit, I asked all Departments what steps they are taking to ensure that their purchasing policies support British industry and agriculture. The reply, which was centrally generated by the Government although it came from a number of Departments, stated:

“The Department’s purchasing policies support the Government’s commitment to do all it can to ensure UK suppliers can compete effectively for public sector contracts, in line with our current international obligations and guidance issued by the Crown Commercial Service.”
That is a totally inadequate response to the situation we are facing. Clearly, the civil service still does not get it. May we have a debate to explore how we will back British industry, British agriculture and British workers?

**Chris Grayling:** The Government have given the right hon. Gentleman a legally accurate response to the current situation. When we have left the European Union, we will be freer to take decisions about procurement in the United Kingdom and the services, goods and products produced here. I am a great believer in doing everything we can to procure locally, but we are subject to procurement rules with which we must conform.

**Mark Pritchard** (The Wrekin) (Con): Whether west, east or sub-Saharan Africa, Commonwealth or non-Commonwealth, the world’s fastest growing economies are on that continent. May we have a debate about what more the Government can do to reach out to those growing economies?

**Chris Grayling:** My hon. Friend makes an important point, and we should all be pleased with the way that the African continent is developing. More and more people are being lifted out of poverty, and there is more economic development. We have historic ties with many of those countries, and we should seek to strengthen those ties in a variety of ways, including the development of free trade deals with them in the future.

**Mr Nigel Dodds** (Belfast North) (DUP): May we have a debate or statement on justice for all war widows? An anomaly means that those whose partners died in service between 1973 and 2005 are not able to claim the war widows pension if they remarry. The hon. Member for Leeds North West (Greg Mulholland) recently hosted a protest at that issue was highlighted, and it is an important matter, especially in the week of the Chilcot report.

**Chris Grayling:** All hon. Members would want to support war widows. The right hon. Gentleman makes an important point and I will ensure that his concerns are raised with the Ministry of Defence after business questions.

**Dr Matthew Offord** (Hendon) (Con): The European Union, including the United Kingdom, recognises a difference between the military and political wings of Hezbollah, but such a distinction does not appear to be recognised by the organisation itself. Therefore, in the light of the confusion about the legality of demonstrators displaying Hezbollah flags on the streets of London last Sunday, may we have a statement on the legality of displaying them and any flag associated with a proscribed terrorist organisation?

**Chris Grayling:** I agree with my hon. Friend. Friend that if an organisation is proscribed in the UK, it should not be allowed to publicise itself in the UK, whether through flags, placards or anything else. I will ensure that the Home Secretary is aware of the concerns he raises. If an organisation is illegal in the UK, it should not manifest itself in the UK.

**Robert Flello** (Stoke-on-Trent South) (Lab): For too long, Twitter, Facebook and other forms of social media have become more and more like the wild west, with people thinking they can post anything and say anything. My hon. Friend the Member for Redcar (Anna Turley) has a private Member’s Bill, but we need the Government to take much more drastic action, because the problem is spilling out into the wider world, as has been said previously. May we have a statement or a debate in Government time about what they will do both to tackle Twitter, Facebook and other forums, and to clamp down on what is happening in the public realm?

**Chris Grayling:** This is an issue for Members on both sides of the House and I share the hon. Gentleman’s view, but it is not simply about Members of Parliament—it also affects people in society. I have a more straightforward view than his. It is very simple: if Members of the House or other people receive threats that they are going to be raped, murdered or whatever, the police should arrest the perpetrators and put them in court. That might send a message to those who carry out that kind of disgraceful behaviour that there are consequences. My message to our police is: if that happens, prosecute.

**Mark Pawsey** (Rugby) (Con): When it comes to sport, my constituency is best known for the game associated with the oval ball, but we have some great football teams, including Rugby Town juniors, who have just received a grant of £371,000 from Sport England towards a 3G astroturf pitch for use by their 700 or so members. The Leader of the House has praised the achievements of the Wales team, but may we have a debate on how investment in grassroots football of the type taking place in Rugby can inspire our national team at the highest level?

**Chris Grayling:** No English Member is in any doubt this week that we need a strong grassroots youth development system for the future. Having been outshone by the Welsh, we would like to get our own back at some point, but we definitely need new young players to come through. We know that from our strongest local, non-league and amateur clubs can come stars of the future. Let us hope some of them come from Rugby.

**Jonathan Edwards** (Carmarthen East and Dinefwr) (PC): I thank the Leader of the House for his warm tribute to the achievements of the Welsh national football team. I tweeted last night that I will die a happy man, hopefully many years from now, having had the privilege of supporting that great Welsh national side.

Last month, the people of the UK took probably the most important political decision in my lifetime, and I turned 40 in April, yet over lunch yesterday, I had a discussion with Speaker Boothroyd, who informed me that the other place has had two days of debates on the implications of Brexit. When will the House have the opportunity to debate the implications? The fact that there is no plan to deal with what has happened in the last month is no reason to sweep it under the carpet.

**Chris Grayling:** I simply assure the hon. Gentleman that there will be plenty of opportunities in the coming months for us to debate these matters. We need to elect a new Prime Minister, complete the preparatory work, start negotiations and ensure that the House has every opportunity to debate those matters. I give him that absolute assurance.
[Chris Grayling]

I have one regret on the football front. As a Manchester United supporter, I just wish Gareth Bale would come home and join the reds.

Henry Smith (Crawley) (Con): The Kurdish peshmerga have very much been at the front line of the battle against Daesh in northern Iraq, and I am proud that the Government have supported them militarily, but may we have a debate on the medical support that is needed by injured fighters against Daesh, including our allies in the peshmerga and others?

Chris Grayling: My hon. Friend makes an important point. We clearly need to do more than simply provide military support. A huge amount of humanitarian effort is going in to support those affected by the war, but I will ensure that the Secretary of State for International Development is aware of his concern so that it can be a focus.

Mr Chuka Umunna (Streatham) (Lab): We have reached the end of the track in terms of my constituents’ patience with one of the worst train operating companies in the world, GBRf Thameslink Railway, which runs Thameslink and Southern lines that are currently masquerading as train services. In its latest attempt to reduce disruption on the Southern line, it is going to cancel up to 350 trains. That is simply unacceptable. It is causing people to lose their jobs, students to miss exams and untold stress. Will the Leader of the House arrange for the Transport Secretary to come and give an urgent statement, and for goodness sake strip this company of this franchise and do so now?

Chris Grayling: May I say first of all that, as someone who also shares GTR routes, I am well aware of the issue? I have every sympathy with what the hon. Gentleman has just said and I have constituents who share his anger. There is a debate on this matter in Westminster Hall next week. I have already spoken to the rail Minister, who is acutely aware of the issue. What is happening at the moment is simply unacceptable and has to be sorted out.

Andrew Stephenson (Pendle) (Con): Parts of my constituency are being blighted by young men driving high-performance luxury vehicles, often at dangerously high speeds. There have been a series of accidents, near misses and hit-and-runs in recent months. As most of these vehicles are hired, usually for just a day at a time, local residents and Pendle Council are calling for action to prevent hire car companies from putting high performance supercars in the hands of young drivers. Will my right hon. Friend make time for a debate on this issue?

Chris Grayling: My hon. Friend makes an important point. I am surprised the hire companies want to do that, because high-performance cars tend to be high-value cars and I presume they want to get them back intact afterwards. It is clearly a bizarre situation and I do not know why those businesses are taking the approach he describes. He should certainly put pressure on them locally, but I will make sure his concerns are drawn to the attention of the Transport Secretary.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Those of us who are regular, proper Back Benchers value business questions. I hope the Leader of the House will have a word with the other Front Benchers and bring it back to what it should be about: business questions. We had a Welsh shadow Leader of the House who could not even mention the Welsh team today, which I think he should have done, but business questions is for important future business. My constituents are deeply worried about the closure of the A&E at Huddersfield Royal Infirmary. That is of prime importance. They are worried about the quality of management by GPs who become managers in clinical commissioning groups. Those are the sorts of things we want a debate on and we want it soon.

Chris Grayling: I am not sure whether to congratulate, or commiserate with the hon. Gentleman on the fact that he is still on the Back Benches. Only he will be able to tell us whether he has been offered a job as, for example, shadow Education Secretary. I know it has been a challenge to fill that post recently.

Mr Sheerman indicated dissent.

Chris Grayling: Well that is a bit of a snub, isn’t it? The hon. Gentleman makes an important point about his constituency. I have been a champion of A&E and maternity services in my constituency. Regular opportunities exist through Adjournment debates and Backbench Business debates to bring a Minister before the House. With his long experience, he knows how best to use those systems to get Ministers here and hold them to account.

Martin Vickers (Cleethorpes) (Con): The changing face of retail is having a major impact on the vibrancy of our town centres. We do not want a situation in which our provincial towns becoming derelict with more empty shop units. Will the Leader of the House find time for a debate on how the Government will support local authorities to regenerate provincial town centres?

Chris Grayling: The big thing we have done this year is to change business rates, which I hope will make a difference in places like Cleethorpes. My hon. Friend and I have walked up the main street in Cleethorpes on many occasions. It is a great town. It is a really important part of the community and the area he represents. I hope the changes we have made to business rates will help to strengthen the businesses in that high street. I also hope we get some good weather, so that Cleethorpes fills with tourists in the coming six weeks.

Alan Brown (Kilmarnock and Loudoun) (SNP): Last week, when I challenged the Leader of the House, he yet again defended the rights of the more than 800 unelected bureaucrats in the place next door. He has previously defended the voting system in this place yet this morning, with no sense of irony, he talks about making this place suitable for a modern democracy. Therefore, in the vein of a modern democracy, I will narrow it down a wee bit. Will he make a statement outlining why he thinks it is appropriate to have 26 Church of England bishops taking part in the legislative process, and why they are able to vote on legislation that affects Scotland?
Chris Grayling: The thing that puzzles me is that the Scottish National party has a substantial number of private Members’ Bills opportunities, having been in the top 10 in this year’s draw. Has there been a Bill to make any change whatever to the House of Lords? No.

Ben Howlett (Bath) (Con): On Tuesday evening, a Bath mum, Kerry Parkinson, was travelling home and was hit in the face after confronting a passenger who told their son to “Shut up, or we will send you to Istanbul with the other Muslims to join Isis.” I am sure that whole House will join me in condemning such disgusting racist views and in congratulating Kerry on standing up against hate. Will my right hon. Friend speak to the Home Secretary to see what more can be done to tackle xenophobia in our society and look at staging further debates in the House?

Chris Grayling: That instance is absolutely shocking. We send all our good wishes to my hon. Friend’s constituent for what she has done. Let us be absolutely clear: the Muslim community plays a valuable role in our communities up and down the country. The Muslim community is full of people who have made a real difference to our society, and we should support them. The fact that there are a small number of people in the Islamic world who pursue an ideology of hate that we all stand up against should not in any way tarnish the good, hard-working decent Muslims of this country. We should abhor, tackle and prosecute insults and attacks against them.

Lilian Greenwood (Nottingham South) (Lab): Some 5% of students and 15% of staff at British universities come from other EU countries, along with £800 million a year in research grants. Our universities are deeply worried about the impact of Brexit on their future academic competitiveness, and in cities like Nottingham our universities play a vital role in the success of the local economy. Will the right hon. Gentleman ensure that the Business Secretary makes an urgent statement on how he intends to protect our higher education sector in the negotiations on Britain’s withdrawal from the EU?

Chris Grayling: I will of course ensure that what the hon. Lady says is drawn to the attention of the Business Secretary. Let me make two points. First, particularly in science where these issues have been raised, the European science network, which is a partnership of academic institutions across Europe, includes countries such as Israel that are not part of the European Union in any way, shape or form. There is no reason why our universities cannot continue to play the part they do today in joint international research projects. Secondly, it is worth remembering that we pay a substantial amount of money into the European Union. In future, that money will not be paid, and there is no reason why we cannot continue to provide the money directly and cut out the middle man.

John Mann (Bassetlaw) (Lab): When we discuss Brexit, may we have the opportunity of conducting some sectional debates, so that we can locate how, now that the power exists for Parliament to vote through renationalising the rail industries, we could rejuvenate football as well—and not just the English football team? The Bosman ruling will be abolished, which will allow local football clubs in England and Scotland to rejuvenate themselves rather lose all their best players to the premier league.

Chris Grayling: The hon. Gentleman, of course, comes to the issue of Britain’s future outside the European Union from a different perspective from mine, but he highlights how, once we have left, we will be able to do in the future the things that we are constrained from doing now. On Bosman and English football, of course we want to see a new generation of bright young players coming through—and possibly from Rugby, as we heard earlier.

Andy Slaughter (Hammersmith) (Lab): We learned yesterday about five walk-outs from five separate prisons in the last five months by prison officers who do not feel safe at work. There has been a 30% increase in serious assaults on staff this year. With so much else going on, it is easy to ignore that, but the Leader of House cannot ignore it because he largely caused the problem. Will he get the Justice Secretary, who should have more time on his hands after today, to come and make a statement about why we cannot get right something as fundamental as security and safety in our prisons and the protection of prisoners and prison staff from harm?

Chris Grayling: I simply remind the hon. Gentleman that the current structure of staffing in prisons was designed by the Prison Officers Association and the Prison Governors Association three years ago. What we implemented was their advice about how to proceed to staff our prisons.

Kirsty Blackman (Aberdeen North) (SNP): Last week, Aberdeen City Council held a summit on the problems in the oil and gas industry. The Government managed to appear via a 30-minute video link, but no Government Minister was sent. The Minister of State, Department of Energy and Climate Change, the hon. Member for South Northamptonshire (Andrea Leadsom) is currently chasing her leadership ambitions and might be doing so for the next couple of months, so can the Government give a commitment that somebody in government will, in view of the current rocky climate, give more than passing attention to the oil industry?

Chris Grayling: Absolutely. The oil industry is very important to us. I know that in recent months the Chancellor, in particular, has taken an active interest in how we can best ease the pressures on it, but when the oil price has fallen to such a degree, there are no easy solutions.

Valerie Vaz (Walsall South) (Lab): May we have an urgent statement on Care.data? The Government announced today that they were scrapping the scheme. We need to know how much it cost the public purse, and whether all our constituents’ information will be shredded.

Chris Grayling: I will ensure that the hon. Lady receives a response from the Department of Health.

Jim Shannon (Strangford) (DUP): The issue of forced organ harvesting in China has concerned us for some time. It involves people who have been jailed for campaigning for civil liberties, for being Christians and
practising their religion, or for following the meditation practices of Falun Gong, which is a wonderful form of meditation whose values are truth, compassion and tolerance. Will the Leader of the House arrange a debate, in the Chamber or in Westminster Hall, on the horrific, brutal surgical removal of vital organs from prisoners of conscience, and could we also debate the issue of organ tourism? People travel from the United Kingdom to China to receive those organs. I believe that a subject of such importance should be debated.

Chris Grayling: The hon. Gentleman has raised a very serious issue. He will be able to raise it directly with the Foreign Secretary during Foreign Office questions on Tuesday, but let me say to him now that, while we seek to engage with China and strengthen our partnerships with it, we always take opportunities to raise the question of human rights, and we want to see standards of human rights in China improve.

Nick Smith (Blaenau Gwent) (Lab): My hon. Friend the Member for Walsall South (Valerie Vaz) asked about yesterday’s decision to scrap the Care.data scheme. Experts say that access to patient data is vital to better understanding of the causes of disease. It should be possible both to get data security right and to give researchers access to data. We really need to discuss this issue in the House.

Chris Grayling: I will ensure that the Health Secretary is aware of the concerns that have been raised. It is clearly important for us to protect individual data, as it always has been, but I will ask Ministers to give a proper response to both the hon. Gentleman and the hon. Member for Walsall South (Valerie Vaz).

Ruth Smeeth (Stoke-on-Trent North) (Lab): Several constituents have contacted me in the last month about ridiculous delays in assessments for employment and support allowance. Some have been waiting not for the 13 weeks for which they should be waiting, but for as long as eight or even 11 months. Given the importance of the issue to the lives of my constituents and their ability to feed themselves, may we have a debate in Government time about how long the process is taking and what is going wrong with the Department involved?

Chris Grayling: Fortunately, the Secretary of State for Work and Pensions will be here on Monday for oral questions. I will alert him in advance, and if the hon. Lady wants to raise the issue in the House again, I will ask him to provide her with a proper response.

Paula Sherriff (Dewsbury) (Lab): On this very poignant anniversary, I am sure that the whole House will wish to join me in expressing gratitude to our incredible emergency services, who are simply the best in the world. However, I am alarmed to learn that cuts in our fire services now pose a real threat to public safety, and that, following the cutting of more than 7,000 firefighters since 2010, response times are at their longest for more than 20 years. May we have an urgent further debate on the issue?

Chris Grayling: Of course I join the hon. Lady in paying tribute to our emergency services. Yes, there have been changes, and there have been improvements. One of the changes that is taking place at the moment is a move to bring fire services together with local police services under the umbrella of the police and crime commissioners, because we think that will achieve efficiencies, both operational and financial.Obviously I will ensure that the Department is aware of the hon. Lady’s concern, but she may choose to initiate an end-of-day Adjournment debate so that a Minister can deal with the issue directly.

Melanie Onn (Great Grimsby) (Lab): Will the Leader of the House join me in congratulating John Whitgift Academy on securing a People’s Postcode lottery grant so that it can lead and inspire young people through the Dame Kelly Holmes Trust’s On Track to Achieve programme? That will give an important boost to pupils and teachers in a school that was recently given an “inadequate” rating by Ofsted. May we have an urgent debate on the importance of sport and sport mentoring in schools?

Chris Grayling: Let me begin by paying tribute to the hon. Lady for what she did as shadow Leader of the House. We on these Benches are sorry to see her move back three rows, but I am sure that she will not be in that row forever—unless things carry on as they are. I also pay tribute to those in her constituency who are doing so much work for young people and sporting achievement, which makes such a difference to their development. The work she has described is enormously valuable.

Jeff Smith (Manchester, Withington) (Lab): Recent NHS figures show that 142 people per 100,000 in Manchester die prematurely from cardiovascular diseases. Someone is more likely to die prematurely from a heart attack or a stroke in Manchester than anywhere else in the country. May we have a debate on how to address high rates of cardiovascular disease in cities such as Manchester?

Chris Grayling: That is a very good example of why Manchester will benefit from having greater control over healthcare services in the area as a result of our devolution package. There are clearly particular problems that are found in some of our great cities, and devolution of responsibility to those cities will enable local solutions to be put in place that can make a difference.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): This week, the European Commission announced that national Parliaments will be given the chance to vote on the comprehensive economic and trade agreement with Canada. Can the Leader of the House give any further detail on when Members of this place can expect to debate, scrutinise and vote on this important deal?

Chris Grayling: No, I cannot do that as yet. This is a long and convoluted process. I very much hope that in future we will be able to conclude trade agreements in a much quicker time frame, in a way that benefits our economy.

Chris Law (Dundee West) (SNP): It has come to my attention that a private memo has been sent by the Department for Work and Pensions to the work capability
assessments providers warning them not to direct claimants to appeal against decisions wrongfully made on their entitlements. It is clear as day that it is critical that benefit claimants can access appeal rights, and indeed claim their benefits, where they are so entitled. May we have a debate on this issue to ensure that these restrictive policies are not being enforced by the DWP?

Chris Grayling: I understand the concern that the hon. Gentleman raises. The Secretary of State will be here for questions on Monday, and I suggest that he puts his point directly to Ministers at that session.

Vernon Coaker (Gedling) (Lab): Is it possible for the Leader of the House to organise an urgent debate, in Government time, on prosecution policy? Over the past few weeks, we have seen a disgraceful rise in the number of race hate crime incidents, as we heard from the hon. Member for Bath (Ben Howlett). It is quite right that we all abhor that, but do we not need to take a stand as a society and prosecute people who take part in such behaviour? It is not enough to be angry and to say that we abhor it; these people need to be brought before the courts and prosecuted, and that will help to stop it.

Chris Grayling: I wholly agree with the hon. Gentleman. One of the most extraordinary things is that British Asians, who have had nothing whatever to do with the debates in recent weeks, should be singled out in this way. That is a sign of a streak of opinion in our society. I believe that we are as tolerant a society as any in the world, but we none the less have a core of people whose beliefs are disgraceful and whose actions are disgraceful, and when they act in the way that we have seen in recent weeks, there is absolutely no excuse for our police and our prosecuting authorities not to put them in court where they belong.

Madam Deputy Speaker (Natascha Engel): We now come to the Select Committee statement. Dr Julian Lewis will speak on his subject for up to 10 minutes, during which no interventions may be taken. At the conclusion of his statement, I will call Members to put questions on the subject of the statement and call Dr Julian Lewis to respond to those in turn. Members can expect to be called only once. Interventions should be questions and should be brief. Front Benchers may take part in questioning.

Russia: Implications for UK Defence and Security

SELECT COMMITTEE ON DEFENCE
Select Committee statement

11.18 am

Dr Julian Lewis (New Forest East) (Con): I am grateful for this opportunity to lay before the House the Defence Committee’s new report entitled, “Russia: Implications for UK defence and security”, which has been produced on the eve of the Warsaw NATO summit and which highlights the need for that major event to focus on defence and deterrence, but also on dialogue.

I am extremely grateful to all the members of the Defence Committee for their contributions to the genesis of this report. We held four oral evidence sessions and received 18 pieces of written evidence. A delegation from the Committee, ably led by my hon. Friend the Member for North Wiltshire (Mr Gray), visited Moscow, where they attempted to engage with the Russian authorities. Because of the current state of relations, Russian Government authorities were reluctant to engage, but the delegation acquired much other useful information on that visit.

Russia’s annexation of Crimea and invasion of eastern Ukraine have undermined the post-cold war assumption of a stable Europe in which the military threat to NATO is low. The north Atlantic alliance must therefore restore its defences, review its deterrence and reopen its dialogue with the Russian authorities. The fact that NATO and the UK were taken by surprise by the interventions in Ukraine shows a failure to comprehend President Putin’s determination to maintain a sphere of influence beyond Russia’s own borders and to do so by force if necessary. His stance directly contradicts the rules-based international order that western democracies seek to promote.

Russia has become increasingly active not only in conventional warfare, but in unconventional methods, often deniable, which are designed to fall below the threshold that would trigger NATO’s article 5 guarantee—the undertaking to consider an armed attack against one NATO member state as an attack against them all. The creation of the very high readiness joint taskforce—VJTF—among NATO member states and the enhanced forward presence on NATO’s contested eastern flank are steps in the right direction, but our report warns that the VJTF was formed only recently and that its capacity to deploy the necessary forces within the required timeframe is as yet unproven.

The report’s recommendations include the following. First, the MOD should recognise the extent of Russian remilitarisation and respond to it robustly. Secondly, it should review the effectiveness of current deterrence policy against nuclear, conventional and hybrid or multidimensional warfare. Thirdly, NATO should determine whether the 1987 intermediate-range nuclear forces treaty is in need of repair or replacement in the light of allegations that Russia has breached its provisions. Fourthly, a timetable should be set out for the Trident Successor submarine debate and the decision in Parliament “without further delay”—indeed, that debate should be held before the summer recess. Fifthly, the renewal of EU-wide
sanctions against Russia should be encouraged and possibly extended to a larger group among the Kremlin leadership. Sixthly, it should be accepted that “it is perfectly possible to confront and constrain an adversary in a region where our interests clash, whilst cooperating with him, to some degree, in a region where they coincide.”

We regard the threat posed by Daesh, al-Qaeda and other international terrorists as a relevant example of the latter: the convergence, to a considerable extent, of NATO and Russian interests. I am glad to see the Under-Secretary of State for Defence, my hon. Friend the Member for Canterbury (Mr Brazier), assenting to that proposition.

The Committee believes that Russian cyber-attacks across Europe and territorial seizures in Georgia and Ukraine may not be isolated actions and may be symptomatic of a wider ambition to restore Moscow’s global influence. However, because Russia is a global power, there remain opportunities for co-operation if we can but grasp them. Yet with relations at what the Russian ambassador to London has described as an “all time low”, our report concludes that the UK must urgently boost its cadre of Russian specialists. We must restore and maintain a high level of expertise for the foreseeable future. Given the current climate, the defence attaché’s office in Moscow, for example, must be properly staffed by the end of the year.

Since the end of the cold war, Russia has not been a UK priority and our expertise in this field has withered on the vine. The UK needs a vastly strengthened body of experts who can help provide an effective response to the challenges Russia now poses. We cannot hope to understand Russia without a forthright dialogue, and in the current conditions of mistrust we run the risk of blundering into conflicts that may be preventable through better communication. The cold war was characterised not only by military confrontation, but by the then Soviet Union’s promotion of Marxism-Leninism, with its formidable appeal to impressionable minds inside the Kremlin’s targeted countries. No such totalitarian doctrine applies to present-day Russia, which, for all its nationalist and expansionist tendencies, is itself under threat from revolutionary Islamism, the brutal successor to the equally brutal Nazi and communist creeds which blighted so much of the 20th century. Therein lies the basis for potential co-operation, provided that our dialogue with Russia is from a position of strength, based on sound defences and credible deterrence.

**Ruth Smeeth** (Stoke-on-Trent North) (Lab): May I say that it is a privilege to serve on the Defence Committee, which is so ably chaired by the right hon. Member for New Forest East (Dr Lewis)? I hope he will agree that one thing that is clear from our report is a lack of dialogue and understanding between our colleagues in Russia and ourselves, in terms of not only language, but shared history. Does he agree that, in the light of the upcoming NATO summit, we need to review that as part of our wider engagement with Russia, including how it perceives the threat from NATO, too?

**Dr Lewis**: Yes, indeed, and I thank the hon. Lady for that. She is a tremendously supportive member of the Committee; this is her first parliamentary term, but she has made a great start. I re-emphasise what I said about the importance of dialogue with Russia. The fact remains that different societies develop at different stages and go through different phases in their attitude to their relationships with the rest of the world. One mistake that the west clearly made after the downfall of communism was to evoke a degree of triumphalism at a time when magnanimity would have been more appropriate. Those in the west make a terrible mistake if they fail to recognise that Russia is and always has been a great power, and what we have to do is reach out the hand of friendship, while trying to discourage those aspects of the Russian tradition that seek to dominate lands beyond its own borders. Russia is a pretty large landmass and one would hope that the Russians could make a success of running their own country without feeling the need to impose their will on their neighbours.

**Mr James Gray** (North Wiltshire) (Con): Potential Russian expansionism must be deterred by NATO with a fist of steel—there is no question about that, as we cannot let them do it—but one encaased in a velvet glove. At the moment, we do not understand Russia and what it is doing. We must find better ways of understanding the Russians and talking to them about it. Does my right hon. Friend agree that one area where we simply do not know what they are doing is in the high north—in the Arctic? Russia is, without question, expanding its military capabilities up there and we do not quite know why. Does he agree that that was one area the report was not able to look into, and is there not room for further work on that?

**Dr Lewis**: I agree with every word my hon. Friend has said. Our report drops a very broad hint that the Arctic—the high north—deserves special attention, and I strongly suspect that if and when the Committee takes a decision to give it that special attention, my hon. Friend, who has led the way, with his all-party group for polar regions, in alerting the country to the significance of this area, will be playing a very prominent part indeed.

**Clive Lewis** (Norwich South) (Lab): First, let me thank the right hon. Gentleman and his fellow Committee members for a comprehensive and thorough report on this important area of the UK’s and Europe’s defence and security. I note that this inquiry did not have time to consider the implications of Brexit in full. However, given that the Putin regime’s tactics are often geared towards destabilising Europe as a whole, does he agree that it is vital for the UK to ensure, particularly at the upcoming Warsaw summit, that Brexit does not undermine the political cohesion of NATO? I am going to assume that the answer to that is yes. As such, has the Committee given any preliminary thoughts as to how this might come about?

**Dr Lewis**: I welcome the hon. Member for Norwich South (Clive Lewis) to his new responsibilities. May I say a personal message of appreciation for his past service in the Territorial Army, which included a spell of active service in Afghanistan? I hold the members of the armed forces, particularly those who have seen active service in dangerous parts of the world, in the highest respect. I am sure that we will all listen with very great attention to his contributions.
In relation to the implications of Brexit, I do not think that I am giving up any trade secrets when I say that that has been discussed as one of the major strands of the forthcoming work of the Committee. It is certainly the case that there should be no need for anyone to feel that security arrangements have been undermined in any way if only because of the almost complete overlap between the membership of the EU and the membership of the North Atlantic Treaty Organisation. I am quite certain that the structures of NATO will be perfectly capable of carrying forward the security relationships without any form of distortion by any other organisation that might have been tempted to duplicate them. NATO will indeed be one of the principal forums for ensuring that the communications that are so important between the United Kingdom and our friends and allies on the continent will be able to proceed absolutely unimpeded as a result of the change that will take place.

The Parliamentary Under-Secretary of State for Defence (Mr Julian Brazier): May I also welcome the hon. Member for Norwich South (Clive Lewis) to his new role, and say that we served in the same reserve infantry unit, although, unlike me, he saw active service during his time there?

I congratulate my right hon. Friend and his Committee on a heavyweight report. Clearly, we will be responding to it, and we will look carefully at each of the recommendations. It is above my pay grade to give a date for the Trident debate, but we will be looking carefully at it. May I congratulate the Committee on the very careful balance that it has struck between stressing the real and growing dangers from the Soviet Union—sorry, that was a Freudian slip; I meant from Russia—and stressing the political situation that exists now as compared with the old Soviet Union? I am talking about the lack of ideology now, and the fact that that may provide us with some constructive opportunities, particularly as we share a horrid threat from Daesh.

Dr Lewis: I am very grateful to the Minister for his encouraging remarks. He is spot on when he says that we must take a balanced view with regard to Russia. If we look back over the history of Anglo-Russian relations throughout the 20th century, we will see that they are terrible switchback rides of periods of great hostility and then close alliance and then great hostility once again. It is a pity—I will put it no more strongly than that—that we cannot order our affairs to see that, in reality, there are prospects for co-operation between developed powers that vastly outweigh any sectional advantage that might be sought by one of them trying to steal a march on the other. I understand the reasons why Russia feels affronted by its treatment after the end of the cold war, but that is no excuse for ripping up the international rule book and trampling on the rights of its neighbours.

Mr Nigel Dodds (Belfast North) (DUP): May I commend the Chairman and the members of his Committee for producing a good report in the run-up to the NATO summit later this week? I entirely agree with the need for more dialogue and co-operation through the NATO-Russia Council and by other means, and also with the Committee’s recommendation about recognising the Russian threat and the need to respond to it robustly. In that context, does the Chairman of the Committee share my concern about the recent remarks by the German Foreign Minister who described the recent 10-day NATO exercise in Poland as “warmongering” and “counterproductive” to regional security? Is there not a need for the member states of NATO to stand together and send a united clear message to Putin that we will not be divided? More work needs to be done by our own Government and other like-minded Governments to ensure that everybody recognises the need to stand united, otherwise Putin will exploit the differences.

Dr Lewis: I share the right hon. Gentleman’s concern. This is why some of us—I speak more personally in this respect—have been worried about the creation of a separate defence identity in Europe outside the NATO arena. What he says is entirely right: NATO is the forum in which our security concerns should be aired with our European friends, neighbours and allies. We should try to arrive at a unified perceptions of the situation and articulate them appropriately.

Sir Gerald Howarth (Aldershot) (Con): May I congratulate my right hon. Friend and his Committee on producing an excellent and timely report? Does he agree that we have seen recently that President Putin has been able to exploit our weaknesses, that he does so ruthlessly and that he has been able to act with impunity? As chairman of the all-party Ukraine group, I am particularly conscious of his flouting of the Budapest memorandum of 1996, and he has done that with complete impunity. He respects strength, so it is absolutely right that NATO is reinforcing its position in the Baltic states. That is a demonstration of strength and resolve on the part of NATO. Does my right hon. Friend agree that it is capabilities, not intentions, that count? Intentions can change overnight; capabilities cannot. Particularly today, given the complexity of modern defence technology, we cannot produce aircraft, tanks and ships overnight. Therefore, NATO’s upcoming meeting should focus on delivering the extra spending to deliver the capabilities.

I strongly applaud my right hon. Friend’s argument about dialogue. I had a meeting with the Russian ambassador here in London, and I said, “We have a common interest. Our common interest is that we are both facing Islamic fundamentalism, and that is where we need to co-operate.” Will my right hon. Friend therefore share with the House how he thinks we can not only show that we have absolute determination and resolve in resisting Putin’s advances but engage with him and his Government? Where else might we do so apart from on the mutual threat that we face from Islamic fundamentalism?

Dr Lewis: What a cornucopia of questions, but all of them typically sound and well directed, given my hon. Friend’s distinguished record in the field of defence and security. I believe that there is nothing new about the dilemma of how we gauge our relations with the Russians. I remember in my years as a researcher coming across a paper by the joint intelligence sub-committee—it was then a sub-committee of the chiefs of staff—called “Relations with the Russians”, which was written in 1945, and it said then exactly what we are saying today: “They respect you if you stand up to them, if you show you’re strong, but if you engage with them as well. They do not respect you if you give signs of weakness.”
I believe that there is a shared threat, but there are potential threats that Russia is beginning to show, once again, towards its most immediate neighbours, and that is why it is important that there is a NATO military presence in the most vulnerable front-line states, particularly the Baltic states and Poland. Russia must be left in no doubt that NATO membership means that article 5 applies, and article 5 means that there should be no question of Russia thinking that it can pick off any weaker or more exposed NATO member state and that the other NATO countries will not come to its aid. That is why, conversely, we must be careful not to extend NATO membership or article 5 guarantees to countries where it is simply not realistic to believe that NATO would go to war to defend them.

Several hon. Members rose—

Madam Deputy Speaker (Natascha Engel): Order. We are quite a lot over time now, so I am going to ask for very short, very quick questions, but also very short, very quick answers.

Douglas Chapman (Dunfermline and West Fife) (SNP): We spent most of yesterday discussing the political and military miscalculation and misadventure in Iraq. We hope a debate on Trident looks large, but the report emphasises the need to consider the cost-effectiveness, desirability and affordability of the Successor programme. In the light of Brexit and the financial uncertainty it might bring, does the right hon. Gentleman agree that there are many approaches and non-nuclear deterrents we could introduce to create stability with Russia, but that Trident skews every single defence budget to unacceptable levels? Its extension could lead to a financial miscalculation and to a military misadventure that would make Iraq look like a bit of a walk in the park.

Dr Lewis: Bearing in mind your instruction to be concise, Madam Deputy Speaker, I will just share with the House what the hon. Gentleman said to me when he first joined the Committee. He said, “Julian, you and I are never going to agree about the nuclear deterrent, but I am sure we can co-operate to mutual advantage on many other defence issues,” and he has been as good as his word. I respect his concerns and his doubts about the Trident Successor programme, and I am sure that the sooner we have the debate, the sooner we will be able to engage in the arguments.

Jim Shannon (Strangford) (DUP): I commend the right hon. Gentleman on his chairmanship and leadership of the Defence Committee. When I think of Russia, I think of the saying, “Speak softly, but carry a big stick”—in other words, we have to have dialogue, but we also have to be able to respond. One of the concerns I and the Committee have is about the National Guard, which comes under the direct control of the President—in other words, he can use it to combat terrorism and organised crime but also to control protests. Does the Chairman share the concern I and many others have that President Putin is no longer prepared to tolerate any opposition whatever? Do we also need to look at the ability of NATO and the British Army to respond quickly? Russia can respond within 24 hours or 48 hours, but we seem to take at least another three days. It is critical that we can engage with Russia on those two issues at every level to make sure we protect our people.

Dr Lewis: The hon. Gentleman makes an enormous and extremely valuable contribution to the work of the Committee, and I agree with him: the announcement of the creation of this new National Guard, which can muster hundreds of thousands of troops, according to some reports, but which, interestingly enough, also includes special forces, is a cause for concern. As it is directly responsible to the President, one can only wonder whether it has something to do with shoring up his position domestically, as well as with exerting power beyond Russia’s borders. The report says—I mentioned this in my statement—that the creation of the very high readiness joint taskforce is a step in the right direction, but the numbers that can be generated at short notice by the Russian armed forces seem to be substantially in excess of what NATO could generate now or in the immediate future, and we need to be able to do better in the medium and long terms.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): I welcome the report, but I do get concerned when I hear Russia being spoken of in a certain fashion in the House and, critically, when we do not speak of the communities in Russia, who have to live with the daily experience of the Russian state.

It is now clear that the Russian Federation views the United Kingdom’s global strength as profoundly weakened not only by the issues raised in the Committee’s report, but by Brexit. Does the right hon. Gentleman agree that the lack of investigation by the Committee into the consequences of Brexit was an oversight and only gives succour to the idea in the Kremlin that the United Kingdom does not have a Scooby what it is doing when it comes to working with like-minded European nations to deal with the profound threats posed by the Russian Federation?

Dr Lewis: What a pleasure it is, after all those very supportive questions, to be able to say that I utterly disagree with the question that has just been asked. When did Brexit occur? It was a matter of days ago, but the Committee is to be coruscated and condemned because it has not already carried out a full-scale investigation of the consequences of something that the hon. Gentleman was hoping would never happen. Some of us hoped that it would happen, although I must say that a majority on the Committee hoped that it would not. The hon. Gentleman can be perfectly sure that the consequences of Brexit feature high up on our future programme of work. Indeed, I am surprised only that he thinks we should have carried out the research into the consequences of Brexit before we even knew that it was going to take place.
Mrs Maria Miller (Basingstoke) (Con): I beg to move, That this House notes the increasing number of cases where the internet, social media and mobile phone technology are used to bully, harass, intimidate and humiliate individuals including children and vulnerable adults; calls on the Government to ensure that clear legislation is in place that recognises the true impact and nature of online abuse, as distinct to offline abuse; and further calls on the Government to put in place appropriate legal and criminal sanctions, police training, guidance to the CPS and education for young people relating to such abuse.

Without digital connectivity and an online world, our lives would be poorer. The reason for this debate today is that our responsibility as elected representatives is clear: the internet needs to be a force for good, not for ill. I believe we all have a clear duty to come together and demand of the Government that they do more to address the problems of online abuse in all its forms. More than three quarters of our constituents use the internet almost every day, and more than half use their mobile phones to access it. Half of all crimes committed in the country have a digital component, and the police are overwhelmed by its scale and diversity, particularly the nature and impact of online abuse.

Rightly, the focus of the Government in the past has primarily been on online abuse that involves child abuse images, and I applaud the Prime Minister for his clear and personal resolve to outlaw that abhorrent crime. However, online abuse is much more than that, for both children and adults, and includes homophobic, transphobic, anti-Muslim and anti-Semitic hate crime, and image-based sexual abuse, to name but a few. Too often, those forms of online abuse and others continue to go unchecked, for fear of criminalising teenagers, but we know that about one in 10 of those cases could well involve an adult. That leaves young people at real risk of sexual exploitation, particularly the growth of peer-to-peer trading of sexual images. That is going unchecked in many cases, for fear of criminalising teenagers, but we know that about one in 10 of those cases could well involve an adult. That leaves young people at real risk of sexual exploitation, while the police find it difficult to know how to cope.

It is for us to determine what sort of society we live in, not faceless corporate organisations, often many thousands of miles away. We cannot sit by and simply allow online abuse, in all its forms, to become an accepted norm in our society. With the blurring of the online and offline worlds, it is very easy to see how that might end. What is allowed to become an accepted form of online abuse could simply spill over into face-to-face life. We have to reject all forms of online abuse and show zero-tolerance through our legal systems, our police force and the things that we teach our children in schools.

It is for us to determine what sort of society we live in, not faceless corporate organisations, often many thousands of miles away. We cannot sit by and simply allow online abuse, in all its forms, to become an accepted norm in our society. With the blurring of the online and offline worlds, it is very easy to see how that might end. What is allowed to become an accepted form of online abuse could simply spill over into face-to-face life.

Like every other Member of this House, I believe in freedom of speech, but that freedom of speech has never been an unqualified right. Freedom of speech comes with responsibilities. At present, we are not ensuring that people who are expressing themselves online understand that fact.

The facts show the direction of travel. Today, one in four young people say they have been targeted with online hate because of their gender, sexual orientation, race, religion, disability or transgender identity. Three quarters say that that has had a chilling effect on how they then used the internet in the future for their free exchange of ideas. Teachers have reported a 40% increase in cybercrime in the past five years, with the perpetrators openly finding new ways to abuse their victims by skirting around the law. Parents have found it almost impossible to get rid of “baiting out” footage on YouTube, making the lives of many teenagers unbearable.

Jim Shannon (Strangford) (DUP): I thank the right hon. Lady for bringing this vital issue to the House for consideration. There will not be one MP who has not had a constituent—especially young people—approach them about this very issue. I commend the right hon. Lady for making the point about young people being trolled in the digital world. It impacts not just upon that young person’s personality and how they respond, but in some cases in Northern Ireland and across the United Kingdom it has led to suicide. Is it not time for legislation that responds to this, so that we can put those trolls behind bars, where they should be?

Mrs Miller: I know from our conversations that the hon. Gentleman has a long-standing interest in the matter. He is right to say that the law is not protecting many young people who feel vulnerable, and that has led them, in some tragic cases, to take their own lives. We have to take this issue far more seriously and make sure that our laws are robust.

We have to deal with some very unpleasant truths, particularly the growth of peer-to-peer trading of sexual images. That is going unchecked in many cases, for fear of criminalising teenagers, but we know that about one in 10 of those cases could well involve an adult. That leaves young people at real risk of sexual exploitation, while the police find it difficult to know how to cope.

Anna Turley (Redcar) (Lab/Co-op): Does the right hon. Lady agree that one of the greatest concerns is the under-reporting by young people of these issues? Often, we and the police see only the tip of the iceberg. It is important that we look at the cultural issues.

Mrs Miller: That is a very good point about under-reporting. Even when those crimes are reported, the police might find it almost impossible to know how to tackle them. That might be because the law is inadequate, but it might also be because their training is inadequate.

I was recently given some evidence by “Good Morning Britain” of a freedom of information request that it made, which uncovered the fact that one in six crimes reported under revenge pornography laws involves children under the age of 18. That is not revenge pornography; that is child abuse. It is potentially misattributed in that way by the police. That leads, exactly as the hon. Lady said, to the under-reporting of one of the most appalling crimes in existence.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I welcome the work that the right hon. Lady has done on this subject. She and I are both involved in the Reclaim the Internet campaign to bring together the police, social media and organisations and individuals across the country to tackle online abuse. I agree that there are big questions for the law and for policing, particularly when it comes to protecting young people. Does she agree that much stronger responsibility is...
needed from everyone, including other organisations, individuals and social media platforms? Does she welcome the work that Stonewall and Facebook have been doing to tackle online bullying, LGBT discrimination and homophobia, and that they are launching a new online guide tomorrow?

Mrs Miller: I thank the right hon. Lady for highlighting the work that is going on. I pay tribute to Reclaim the Internet, the cross-party campaign that she started to make sure that we can come together and find a solution to one of the biggest that the country faces. Online abuse, as she rightly says, does not simply affect one group of people. It goes across society, and it is wrecking the lives of adults, too. The Government must be applauded for being one of the first in the world to recognise online image-based sexual abuse in their revenge pornography laws. The Leader of the House, when he was Lord Chancellor, was instrumental in putting those laws into place.

That action has been vindicated, because there have been more than 3,000 calls to the revenge pornography helpline since the laws were enacted—laws that I was told were not needed because there was adequate law in place already. There were 1,000 reported incidents in just six months last year. There is much more to do to make the laws effective and to enable the police to prosecute effectively, but I think it shows that the Government are open to persuasion on the matter, and I hope it demonstrates an open-mindedness for the future. Now is the time for a very clear strategy to tackle these problems. Every person in the country, regardless of their age, should have an expectation that they will be able to use social media platforms and mobile technology without being subject to criminal abuse.

The online world is part of everybody’s lives. The Minister for Culture and the Digital Economy, my hon. Friend the Member for Wantage (Mr Vaizey), who is sitting on the Front Bench, has a deep interest in and knowledge of these issues. I know the personal work that he has done behind the scenes to try to press forward on many of these issues, and he should be commended for that. I know that the proposals in the Digital Economy Bill on stopping under-age access to pornography will have been subject to a great deal of attention from him. Those proposals are very welcome, but reinforce, I feel, the piecemeal approach to the problem. Experts have already made it clear that children will be, frankly, more than well equipped to get around most barriers put up to stop them getting access to pornography.

The approach in the Bill may well help in stopping younger—children inadvertently coming across pornography—an issue I know the National Society for the Prevention of Cruelty to Children has highlighted in recent research—but if the Government’s policy is to be effective, it must be part of a much broader and clearer strategic plan, including mandatory sex and relationship education in all state-funded schools to give children the opportunity to understand how to make the right choices for them and put any pornography they may see into the proper perspective in their lives.

Mr Nigel Dodds (Belfast North) (DUP): I join others in commending the right hon. Lady on securing this debate. She mentioned a multifaceted approach. When I hear about cases in my constituency, one issue that concerns me is the irresponsibility—if we can call it that—of some parents, who give media and digital platform devices to their kids at a very young age and then leave them to it. Surely we need to do more to educate parents about their responsibilities and how they can teach their children to manage such devices responsibly.

Mrs Miller: The right hon. Gentleman is absolutely right. We find it easy to talk about putting responsibilities on schools to teach, but he is right that it starts with all of us as parents. If we give our children these devices—including gaming devices, as there are clear problems there with regard to the grooming of children—we have to take responsibility for ensuring that they are knowledgeable about the risks and can start to make informed choices from what, as he says, can be a very early age. That can be easily reinforced at school. In the past I have been very open about the fact that I felt that sex and relationship education should be determined by schools, but as we move into the online world the very real dangers and problems encountered by children have changed my view on the need to make that education compulsory.

Some of the best and brightest people work on the online world. It is an incredibly creative industry, and the response to the problems of child abuse images shows that, if we are clear about our terms of engagement, when pressure is applied the industry can react quite swiftly. This debate enables Parliament to send a clear message to the industry, social media and the online world that enough is enough; our constituents deserve better and we will fight—as the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) says with her campaign—to reclaim the internet for them.

I would like to take the opportunity to thank the Backbench Business Committee for recognising the importance of this debate and allowing me and my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart) to co-sponsor it. I also thank the myriad organisations that have worked with us to prepare for the debate: Durham University, Professor Sonia Livingstone of the London School of Economics, Stonewall, Galop, the NSPCC, Victim Support, the Internet Watch Foundation—the list goes on, because so many organisations have a deep concern about the direction of travel.

Social media platforms and internet providers are facilitators. Like many other organisations in our country, they provide a service, whereby they are able to gather our personal details to sell them for advertising opportunities. It can be quite astonishing to view a pair of shoes on one website and then see them pop up on another website two hours later in an entirely different context. I really take my hat off to the people who are able to do that. It is a sophisticated industry with sensitive and well developed ways of gathering information, selling sales opportunities and so making successful businesses. Today, I call for some of that incredible talent and expertise to be focused on stopping online abuse.

There are four issues that need to be addressed. First, we need to make sure that we have laws that are fit for purpose. I pay tribute to the work done by Durham
University, particularly by Professor Clare McGlynn, and Holly Dustin. We need to clarify what constitutes online abuse. We need better and clearer harassment laws that can be effectively applied online. We need an image-based sexual abuse law that clearly makes illegal all forms of image-based sexual abuse shared in a non-consensual manner. We need to end complete anonymity in the UK, and we need to insist that platforms have a legal duty to be able to identify the people who use their products in our country.

Secondly, we need to make it clear to those platforms and providers that they have to abide by a common standard for reporting mechanisms. They should provide accurate and transparent figures on the cases of reported abuse. When they are developing products, that needs to be done in a way that builds out abuse in the future, rather than building it in at the starting point.

Thirdly, we must be clear to online providers in our country that if they fail to take sensible measures to reduce online abuse, we as a Parliament will consider putting in place a levy to cover the costs of policing that are incurred purely as a result of online abuse crimes. That has been done in other areas—for example, the payments that are made by football teams for the policing of football stadiums. This is not a new idea, but it might concentrate minds when it comes to online abuse in the future.

Last but by no means least, we need to see a change in culture. Consent, respect and dignity should be at the heart of compulsorily delivered sex and relationship education in all our schools. Beyond that, campaigns should be run to make sure that people understand their own responsibilities to act sensibly and within the law while using the internet. That will be driven greatly by removing the veil of anonymity which currently cloaks so many inputs into social media.

Where there is a will, there is a way. I know that the Minister will want to show the House today that there is a clear will on the part of Government. More than four years ago the Prime Minister made it clear that there was no tolerance for child abuse online. At that point the industry had said that it could do little about it. Now, there is a clear strategy and clear protocols, and images are removed swiftly. With a worrying increase in online hate crime, perhaps even spilling out into the offline world already, we need to act swiftly. We need to make sure that cyberbullying and the newly formed concept of online baiting are shown short shrift.

Now is the time to act, and I call on the Minister to show us that he has an understanding of the need for a clear strategy to tackle online abuse in its totality. In the Digital Economy Bill which he published this week, he has just the legislative vehicle he needs to make any changes that such a strategy might call for. My hon. Friend is a good man. He knows that the online world needs a clear message from this House. I hope he listens intently to the debate today and takes back to his Department and to the industry the message that now is the time for change.

Several hon. Members rose—

Madam Deputy Speaker (Natascha Engel): Order. If everybody takes about eight minutes and no longer, I will not have to impose a time limit and everybody will get in.

12.3 pm

Dr Roberta Blackman-Woods (City of Durham) (Lab): I thank the right hon. Member for Basingstoke (Mrs Miller) for securing this debate, and I thank the Backbench Business Committee for granting it. She has done a great deal in her role as Chair of the Women and Equalities Committee, and before that on the problem of the online abuse that is increasingly experienced by women. I commend her particularly for her work on the revenge porn legislation.

We know that online abuse takes various forms—cruel comments and messages, the sharing of photos without consent, being sent unwanted images, or threats of sexual or physical violence. Although there is a range of forms of online abuse, one thing is clear: online abuse is happening consistently across all social media platforms, and more needs to be done to stop it.

I am very pleased to be supporting, along with other Members, the Reclaim the Internet campaign of my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper). It demands change so that voices are not silenced by misogyny, sexism, racism, homophobia, transphobia or any other form of intimidation online. I understand that the campaign was launched last year, but it will have its first big event on Monday 18 July, bringing together anti-bullying campaigners, groups that focus on online protection and members of the industry to see what steps can be taken to stop abusive behaviour. I hope that all Members get behind this campaign.

Online abuse affects many people and groups in society, but it seems that women are subject to particular vitriol online, and I want to focus my comments on women. Online abuse of women contains frequent use of threats of sexual violence and derogatory comments about women’s appearance and bodies. Women are the major victims of revenge porn, where explicit photos or videos are shared without consent, and those individuals who perpetrate online abuse seem to take even greater pleasure in shouting down women who speak out against it. We must address this.

I am sure that many of my fellow female Members from across the House are, unfortunately, all too familiar with this kind of online abuse. The anonymity and distance that people think social media gives them enables them to say things online that I hope they would never say face to face, but this online abuse must be tackled so that it does not prevent women from wanting to get involved in public life.

When it comes to young people and online abuse, it is young women who are disproportionately affected. A study by the Pew Research Centre in the United States found that 25% of women aged 18 to 24 had been targeted with online sexual harassment and 26% of women had been stalked online—that is one in four women. It is appalling. It needs to be made clear that this kind of behaviour is as unacceptable online as it is offline. The study also found that men are more likely than women to report online abuse, so there is some disconnect, whereby women do not feel able to report the abuse, or maybe feel that it is not even a reportable crime. We must address the issue of enabling women to take their complaints to the police.

Mr Alistair Carmichael (Orkney and Shetland) (LD): The hon. Lady is right to identify the need to get more women to come forward and actively complain. Does
she agree that one thing that could make a real difference is giving anonymity to the victims of revenge porn? That would bring more people forward to make complaints, which could lead to prosecutions.

Dr Blackman-Woods: The right hon. Gentleman makes a very interesting point, and we in this House need to look at it in more detail.

This issue affects younger women, and particularly young women who are still at school. One way in which online abuse was first brought to my attention was by head teachers in my constituency who came to see me to tell me how much of a problem online abuse is in school. They asked me to raise the issue in Parliament to see what could be done to help head teachers and others in schools to tackle it.

I am also a member of the Commonwealth Women Parliamentarians, a branch of the Commonwealth Parliamentary Association, and we have looked in great detail at the issue of violence against women, in particular the rise of online abuse as a form of violence against women. This is becoming such a significant element of the experience of women in public life that we made it one of the key themes of our international conference in 2015. We heard from groups, such as Internet Watch Foundation, that outlined the difficulty of tackling the prolific online abuse of women, along with legal professionals who pointed out that the current legislation is simply not where it needs to be to address this issue. The conference identified online abuse as a global phenomenon, and we now want to work with partners in other countries to get the best legislation possible. That work is ongoing.

I wish to praise my own constabulary in Durham and our Chief Constable Mike Barton, who has been at the forefront of speaking out on this issue from the policing perspective and has highlighted how long the police spend dealing with online incidents. He has talked about the need to clarify legislation to make it much easier for the police to deal with complaints about online abuse and to know how to tackle the problem and when to categorise incidents as criminal. We have to make sure that our police are equipped to deal with the ever-changing nature of crime and the new world of online harassment. In particular, we need to make sure that they have the necessary resources and training. At the moment, only about 7,500 out of 100,000 police officers in England and Wales have been trained.

I welcome the Government’s moves in this area, and I know that the Minister will be listening today, but we need to make sure that our laws reflect our increasingly technological society. I again pay tribute to the work being done at Durham University to outline to legislators how we need to consolidate and update existing legislation and then adopt a clear strategy on how it is implemented and enforced. Only when we do that will we—I hope—get the culture change that the right hon. Member for Basingstoke stressed and that we need if we are to stop all forms of online abuse.

12.11 pm

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): I thank the Backbench Business Committee and my right hon. Friend the Member for Basingstoke (Mrs Miller) for giving us the opportunity to talk about this issue. Like many others, I suspect, I came to it as a result of a few incidents being reported in my constituency. I thought I was on the brink of uncovering a fairly limited, isolated and occasional problem but, on looking more deeply into the subject, I quickly discovered that it was a huge issue affecting vast numbers of people, young and old, and not just in my own patch of west Wales but across the UK.

The extent of the problem is well illustrated by information from Victim Support, which has worked with more than 12,000 children in schools over the last three years. It tells us that 56% of those kids were identified as victims of online crime—a staggering and worrying statistic; that 41% reported persistent and targeted bullying online from their peers; and that a third reported being sent non-requested online pornography. That is probably a significant underestimation of the problem, because, as we know, many people might be fearful of reporting abuse or might not know how or where to go to make a complaint.

I do not want to repeat my right hon. Friend’s contribution word for word, but this problem does not just impact on young people and their families. We are talking about racism, gender issues, homophobia, anti-Semitic abuse, disability issues and prejudice and intimidation, including in respect of religion, shape, style, sexual orientation and, in some cases, people’s everyday beliefs. YouGov recently surveyed just over 2,000 adults: 81% reported bullying as commonplace in schools; 56% reported it as commonplace at work; and 64% believed it was widespread throughout society. I wonder what the contrast would have been had YouGov undertaken that survey five or 10 years ago.

Online abuse knows no boundaries: it affects the old, the young, the vulnerable, and it can, these days, be worryingly anonymous. It was described to me the other day as being like a persistent headache from which one simply cannot escape—there is no safe place or private little haven where one can escape the impact of the online bully. It can lead to reputational damage, financial loss, job loss, mental health issues, relationship breakdown, isolation and even, in the worst cases, suicide.

As we have discovered, part of the problem is that no one knows exactly how big the issue is. This is what we are trying to understand. With over 30 pieces of legislation covering a variety of crimes, it is difficult to get a clear picture. The closest we got were statistics, courtesy of the Library, on the number of prosecutions under section 127 of the Communications Act 2003. In 2004, 143 people were cautioned, proceeded against and found guilty under this section. In 2014, that had risen to 1,209, and that represented an 18% increase on 2013. One figure on which we can rely, therefore, is the dramatic increase in the number of prosecutions under that one single piece—out of 30 pieces—of legislation.

There is a concern about consistent terminology. We seem unable to define clearly exactly what online abuse is. We all have our own private views, but there seems to be some misunderstanding within the law over exactly what “online abuse” means. Without that definition, there can be inconsistencies in the application of the law and in the assistance people get from those charged with protecting us from online abuse. We welcome, and Crown Prosecution Service interim revised guidelines, but, as I will come to, there remains a question about whether they go far enough.
I am a little concerned that the Government earlier this year said that they “did not intend to introduce specific additional legislation to address online harassment and internet trolling.” The reason they gave was that they did not want young people to be unnecessarily criminalised. That is an entirely justifiable position, but it demonstrates a narrow awareness of the true scale of the problem and does not take into account the many other target groups of people who find themselves victims of this problem. Previously in the House, the Under-Secretary of State for the Home Department, my hon. Friend the Member for Staffordshire Moorlands (Karen Bradley), referring to the 30 laws, went so far as to say:

“It is imperative that these laws are rigorously enforced.”—[Official Report, 29 June 2016; Vol. 612, c. 327.]

We will have to address that issue with those charged with enforcement. How does this harassment take place? As we have heard, it is abusive messages online, texts and emails, social media, digital photos used to embarrass the victim, account hacking, sexual grooming, extortion, blackmail and anything else these people can think of. The national stalking helpline, which has been referred to already, has statistics showing that most abusive behaviour is now digital rather than offline. As we become more dependent on online activity, so children and adults find themselves in a world in which there is no escape from this kind of activity.

I have some questions. Do we know the scale of the problem? It seems not. How many people are too afraid to report it? We do not know, except we know there are thousands. How many people do not know how to report it or who to report it to? We do not know that either, other than that it is probably plenty. Are schools equipped to spot the signs, and should the responsibility lie exclusively with schools? I do not think we know that either. Are the police trained? Do they have the resources? Are they serious about dealing with reports? We do not know. Are existing laws satisfactorily enforced? It appears from the Minister that there are further enforcement issues to address.

Do the social media platforms take their responsibilities seriously enough? As mentioned earlier, organisations such as the Royal Highness and Twitter have done a great deal to improve the situation and take the problem seriously, but back when most communication was through printed newspapers—some of us will remember those days—if anyone had written a letter to an editor in the old days when that was possible, containing some of the stuff it now appears perfectly reasonable to put on Facebook or Twitter, there would have been no question of it seeing the light of day; it would have been torn up and chucked in the bin. Now, however, some of those platforms are facilitating some pretty disgusting material, and sort of saying, “Well, it’s up to the victim to complain to the police if they wish.” I am not sure that social media platforms, good work though they have done, are yet in a position that can be called fully responsible.

It is good that the CPS has acknowledged concerns, but bad that the Government do not feel obliged to do anything further at this stage. It is good that such a wide collection of charities, organisations and groups have helped us and are bringing the issue to public attention, and the national stalking helpline, which the Royal Highness will launch, is behind the taskforce on the prevention of cyberbullying. As he put it, we need to stand up to bullies, not stand by. I am worried that we live in a world where the kind of language, tone, and incidents we read about are becoming so widespread and common that they are almost becoming normal. If they become normal, what hope can we have for children and vulnerable adults who live in that kind of cyber-world? For that reason, I and my right hon. Friend the Member for Basingstoke thought it appropriate to bring the issue to the attention of the House today.

12.21 pm

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): I congratulate the right hon. Member for Basingstoke (Mrs Miller) on securing this important debate.

This is a serious and growing problem for all in modern society, and it spans all age groups and demographics. Research commissioned by Demos found that in three weeks, 10,000 tweets were sent from UK accounts that aggressively attacked someone for being a “slut” or a “whore”. Revenge Porn Helpline received 4,000 calls in the last year, with cases affecting children as young as 11 years old being reported. According to the NASUWT, the largest teaching union in the UK, more than half of teachers also report receiving online abuse.

In February this year, the UK Safer Internet Centre published a study that found that of the 13 to 18-year-olds surveyed, 24% had been targeted owing to their gender, sexual orientation, race, religion, disability, or transgender identity. One in 25 said that they were singled out for abuse all or most of the time. Although such abuse has spanned all of society, teenagers with disabilities, and those from African, Caribbean, Asian, middle eastern and other minority ethnic groups were more likely to encounter cyber-bullying. Parliament and Governments across the UK have a responsibility to face up to that issue and take appropriate action to prevent and address it.

In Scotland, our First Minister has been vocal in condemning this issue, and the Scottish Government have provided full funding for Respectme, Scotland’s anti-bullying service, which is managed by the Scottish Association for Mental Health. That vital service works with adults who are involved in the lives of children and young people, to give them the practical skills and confidence to deal with children who are bullied and those who bully others. It is important that those of us in public life provide leadership on this issue, and Members will agree that no one should have to accept online abuse, and that those who have been subject to it should report it to the police. They must not suffer in silence or alone.

I want to use my personal experience of this issue to encourage the public to stand up to online abuse, and I ask those in public life to show stronger leadership in the conduct of our public debates. When I decided to stand for Parliament, I did so because I wanted to make a positive difference to the lives of people in my constituency and across the country. I did so in full knowledge that by standing up for what I believe, I would hold myself open to challenge from those who do not share my political beliefs. A robust, honest, political debate about our views and deeds is a vital part of any democracy, and we should embrace it. As we saw from the report published by Sir John Chilcot yesterday, an absence of
critical debate in Parliament, Government, and our
democratic system can have disastrous consequences. I
therefore came here with the full knowledge and expectation
that my words and actions would be held up to public scrutiny, and that is right.

What has sometimes taken my breath away, shocked
my family, and reduced me to tears, is the vitriolic,
hateful, and sometimes criminal levels of personal abuse
that I and colleagues across the House have faced. I
have received hateful handwritten letters that contained
sexual slurs, phone calls to my office threatening violence
towards me or my staff, and racist emails stating what
people want to do to people like me who are Muslim.
Although such communications are all too common,
they are not an everyday experience, and I am grateful—as
we should all be—to the police at Westminster, in
Scotland, and across the UK, for their work to help and
support those who fall victim to these crimes, and to
investigate the perpetrators. The police provide a
sympathetic level of support to victims, no matter what
their background or circumstances, and it is important
to encourage people to report such abuse at every stage.

I know that I am not alone in my determination to
make myself open and available to those to whom I am
accountable, and in the 21st century that means being
active on social media. I agree with Scotland’s First
Minster, who recently said that thanks to the positive
power of Twitter and Facebook we can now communicate
directly with our constituents about the work we are
doing on their behalf, and hear their views without a
filter or barrier between us. However, the great tragedy
of that new technology has been the advancement in
online bullying, abuse and threats, and that horrific
experience is not confined to those of us who sit in this
Chamber. Let me say directly to all those watching from
outside Parliament who have been victims of online
abuse, that all of us here today are standing right beside
you. We know how it feels because we understand the
pain you have been through, and we will do our best to
address this horrendous issue.

In the past 14 months, I have been called a Nazi,
received messages that called for me to be shot as a
traitor, and read in tears as strangers attacked my father
who passed away two years ago. Recently I spoke to the
Sunday Mail newspaper, and I am grateful for the
article it published, which included some of the dreadful
things that have been said to me, none of which are
worthy of being repeated because of the status and
stature of this Chamber. However, my husband saw
those messages, my children read this garbage, and my
staff are required to wade through this sickening filth
each day to get to the important information they need
to do their jobs.

Mrs Helen Grant (Maidstone and The Weald) (Con):
The hon. Lady is making a powerful point. Does she
agree that all victims, including politicians, should be
given all the help and support that they need and
deserve to move on with their life and careers, and to
bring the perpetrators to justice?

Ms Ahmed-Sheikh: I agree entirely with the hon.
Lady, and this abuse is difficult for anyone who faces it.
There is an anticipation and expectation that we must
be strong, but perhaps we are not and some people have
more strength than others. Support mechanisms must
exist, and we must help people to move on. No matter
who is the victim, such abuse is disgusting and vile,
which is why I support the honourable aims and objectives
of the Reclaim the Internet campaign. I congratulate all
those who have been involved in setting that up across
the Chamber and beyond on seizing the initiative.

We must examine the role of the police and prosecutors,
and be clear about when threats and harassment become
crimes. Social media and publishing platforms must
accept this serious issue, and take steps to address it. We
are entitled to expect more from Facebook and Twitter
in handling these issues. We must consider how
best to provide support for victims and how to take on
the trolls, and we must empower and educate our young
people about these issues and how to address them.

Individual Members of Parliament are not responsible
for the specific content of tweets or Facebook posts by
others, but we are responsible for setting the tone of the
national debate. I believe we are at a vital point in our
politics. We have recently made, and will continue to
make, significant and defining decisions about the type
of country and society we want to be. We can embrace
the politics of hope, or the politics of hate, and it is our
role as elected representatives to show leadership and
conduct ourselves in a way that defines the political
debate. To those who may be watching this debate and
dealing out abuse on the internet, perhaps even as we
speak, I say this: you are the cowards, but we will stand
up for the brave.

12.29 pm

Rebecca Harris (Castle Point) (Con): Tragically, online
abuse has become part of all our lives. I have been
subject to it, although I am not a member of a minority
religion or race. Like many hon. Members I have received
online abuse. Nothing has really hurt or affected me
terribly, but on one occasion I simply posted some
comments about boy racers who were causing antisocial
behaviour. Within about an hour I was being abused
from all round the globe, by boy racers who had obviously
noticed a deficit in my sex life, and who were offering a
wide range of suggestions to improve it, some of which
would have ended in certain death. I had to take the
post down—not because I was personally offended or
concerned, but because I simply could not monitor it to
ensure that that level of foul and abusive language was
not left on my Facebook page for people to see. It is
becoming clear to me from my mailbox how much
online and internet abuse is affecting my residents—it is
growing all the time, and includes women and children
who face stalking online from ex-partners.

I have noticed within the past two years an enormous
improvement in the police response. Whereas two years
ago I found that the police suggested to women that
they should simply come off Facebook or stop being
online, they now more often have a more appropriate
response—they now recognise that, in the modern age,
people should be as safe online as they are when they
walk down the street—but we have some way to go. I
am pleased that, today, Her Majesty’s inspectorate of
constabulary has recognised Essex police and the work
of my excellent chief constable, and rated them as effective
and reliable in their treatment of vulnerable victims.

[Ms Tasmina Ahmed-Sheikh]
It is incredibly important that we get the legislation right—the Minister is listening. Chief Constable Stephen Kavanagh of Essex police has said, as has been pointed out, that the police deal with 30 different pieces of legislation that simply do not work for victims. The legislation is either out of date or does not go far enough and the police need to be properly prepared and trained to deal with the magnitude of cases of online abuse. Our role must be to future-proof the recently announced Digital Economy Bill, so that we are not permanently playing catch-up. The digital economy is growing more sophisticated all the time, and its pace of change outstrips that of all kinds of other technologies.

On a wider point about our culture, which was mentioned by my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart), we see the vile comments underneath stories in local or even national newspapers, and foul comments on Twitter, and in the past week, post-Brexit, we have seen an appalling upsurge in racial comments, all of which are vile and rightly should be prosecuted. Another shocking thing in the wake of Brexit is that nice, normally liberal-minded people—people who would profess to be progressives—also think it is reasonable to abuse 17 million of their fellow countrymen, including 73% of my constituents, as being clearly stupid or racist. It is no less iliberal or intolerant to think that all people of a certain race are of one set of opinions or one viewpoint. In our culture, people—seriously liberal, intelligent and educated people—think they can say those things online. They turn into keyboard warriors and say things that they would never dream of saying face to face to an individual.

We have a responsibility to deal with that abuse in our culture. If that is acceptable and if it is seen day by day, no wonder women do not come forward and they take attacks for granted; no wonder children think it is all right to be abused and attacked online; and no wonder the perpetrators and genuine criminals feel emboldened and that their behaviour is normal. I would say to everyone who goes online that they should post nothing that they would not write if they are not prepared to give their full name and address. It is a cultural issue, and legislation alone will never tackle it unless we take personal responsibility for changing our culture in this country.

12.33 pm

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): It is a cliché to say that the internet has changed the world we live in, but it is a cliché because it is true. It is not possible to list the changes the internet has brought about because, over the past quarter of a century, it has simply become all pervasive. It has now reached the stage where, with smartphones, we carry it around in our pockets.

I know I am labouring a very obvious truth, but it is important in the debate to take a moment to reflect on just how central the internet has become to our daily lives. For my generation, the internet is a technical marvel, but for young people growing up today, the internet and the things that happen online are just another normal, everyday part of their world. That is why it is so important to have this debate. We cannot stand by and watch the sort of abuse and harassment that a small minority of internet users inflict on the rest of us become normalised. It is not too much of a wild prediction to say that the internet, social media and smartphones are here to stay, so it is vital that we do all we can to combat and prevent the abhorrent misuse of what are, when all is said and done, powerful tools for communicating thoughts and ideas.

Melanie Onn (Great Grimsby) (Lab): Does my hon. Friend believe the Government should consider the additional costs incurred as a result of the bullying, trolling and abuse that people experience online? A few years ago in my area, there was a 25% increase in referrals to child and adolescent mental health services, so abuse clearly has a bigger societal impact, and a financial one.

Gill Furniss: I agree with my hon. Friend that that must be considered.

The sheer scale of the problem is daunting. As public figures, I am sure that many if not all hon. Members have been on the receiving end. To give just a few statistics, a Greater London Authority report suggests that only 9% of online hate crimes were investigated nationwide. Back in 2014, the charity Beat Bullying reported that a third of young people have experienced bullying online, including one in five eight to eleven-year-olds, while one in 13 was subjected to relentless abuse over a period of weeks, months or even years. Last year, the Revenge Porn Helpline received nearly 4,000 calls.

Similarly, the nature of the problem means there are no quick fixes. The anonymity that the internet allows means that users can choose to ignore the normal social conventions on what it is acceptable and not acceptable to say to someone, safe behind the mask of a fake username. Facebook did not create misogyny, nor did Twitter invent racism. People who use those and other online platforms to vent their hatred and abuse hold those views in the real world, and are simply taking advantage of the anonymity of cyberspace.

As much as we might like to pass a law that does away with intolerance, we cannot, but that is not to say that we are helpless, either as a Parliament or as a society. We might be unable to flick a legislative switch, but there are steps we can take to start tackling the problem of online abuse, including in respect of online platforms, for instance. Over the past few years, Facebook, Twitter and Google have begun engaging with their users and made it easier to report and counter online abuse. They are to be commended for that, but there are serious concerns that none of those companies is fully transparent about the measures it is taking internally to get to grips with the problem of people using its site for abuse. Twitter, for instance, claims that it employs more than 100 staff to deal with reported abuse, who presumably cover the entire network of 320 million users. Likewise, Facebook says it has several hundred people monitoring reported abuse. That sounds impressive, but we should remember that the site has 1.6 billion users.

Too often, users are unclear on how to report abuse, and how it will be dealt with when they do. As a starting point, we need greater transparency from such platforms on how they enforce their terms of use. I urge the Government to work constructively with them to encourage them to be more open about the scale of the problem and their responses.
On what we can do as lawmakers, there are practical responses that Ministers should consider. First and foremost, we need legislation that clearly defines online abuse—that is called for in the motion—and that consolidates our existing laws. According to Digital-Trust, more than 30 pieces of legislation are currently used to tackle online crimes including, of all things, the Offences Against the Person Act 1861. As much as we thank Viscount Palmerston, it is time we ended our piecemeal approach and provided the public with confidence and the police with the clarity they need to bring to book those who commit offences online.

The fragmented nature of the law means that the criminal justice system is often unsure whether an offence has been committed, and is thus not able to provide victims with the service and protection they expect and deserve. A consolidation of the legislation can be of value only if it includes a clear and consistent definition of exactly what constitutes online abuse. Our current mish-mash approach means that many malicious and abusive communications, which any reasonable person would judge to be unacceptable, often do not reach the legal threshold and so complaints against them cannot be progressed. A clearer definition would go a long way to eliminating this problem, and would build public trust that those in breach of the law can be held accountable.

It is obvious that the police are under incredible pressure trying to deal with even the small proportion of online abuse reported to them. It is estimated that half of all crimes reported to the police have some digital element, and they expect this to rise to 70% in the next five years. However, just 7.5% of officers in England and Wales are trained to investigate digital crime. The scale of the problem is such that all police officers need to be in a position to tackle online abuse: to know how to investigate it and secure evidence. A consolidation of legislation must be backed up by a corresponding overhaul of enforcement if we are to make any headway, and that means not only a review of the training given to officers but a serious rethink about approaches to police recruitment. I appreciate the strain on police budgets, but unless we dramatically expand our police’s ability to clamp down on online crime, we will be stuck trying to apply 20th-century methods to 21st-century problems.

It is encouraging that online safety is now part of the national curriculum. We cannot underestimate the importance of education in dealing with online abuse. As much as we expect our children to learn the difference between right and wrong in the real world, and expect them to get along with one another at school, so we must press home, and press home early, that the same standards should apply online. Clearly, there is no magic bullet for dealing with online abuse, but that does not mean the Government should shy away from confronting it. It will take a broad strategy, worked out across Departments and implemented with service providers, charities and many others. Such plans are not cobbled together overnight, but I press the Minister to take today’s debate as a starting point. If we have shown anything, it is that there is a strong desire for a change across the House and beyond. I sincerely hope the Government will be bold in their response to a problem that we simply cannot allow to fester.

Caroline Ansell (Eastbourne) (Con): I thank my right hon. Friend the Member for Basingstoke (Mrs Miller) and my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart) for securing this important debate.

This is an issue of utmost importance to me, made all the more personal after a high profile case of revenge porn, which grabbed national headlines, involving a perpetrator and victims from my home town and constituency back in April. In the wake of that case, lessons have been learned locally. I am very pleased to say that the police and crime commissioner and the chief constable are reviewing awareness training for those on the frontline to improve the experience of victims, secure greater justice for them, and to better reflect how serious and how damaging online abuse is.

We need that change in culture so that online abuse is recognised as real world, causing as it does emotional, psychological and physical damage. A freedom of information inquiry by the BBC found that in over 1,000 cases, 11% of offenders were charged and 7% received a caution.

I would like to share a victim’s plea to us. Her perpetrator was one of the 7%.

“...This is an open letter to those who have the power to lobby for change. This is my story.

The perpetrator was my manager. We stayed in contact long after I left my job, remaining friendly acquaintances via social media. It wasn’t until April this year that I discovered a message on my social media alerting me to a website that contained my images. This website allowed individuals from all over the world to upload and view pictures of unsuspecting victims, many of them children, and using those images as fodder for torture fantasies. My page, which had been created in October 2015, revealed my full name, my personal Facebook account, a picture of my toddler daughter. Alongside these images, there were captions and incitements such as ‘would love to beat her’, ‘she deserves to be gang raped’, and urging people to find me, make contact and show me what I ‘deserve’.

I felt demeaned, exposed, utterly humiliated and embarrassed. Someone out there held all the power. I wasn’t even in control of my own image any more. I needed to take back control, so I put on my investigator hat and after many, many hours of trawling I thought I had found the perpetrator. Initially, I felt relief and I contacted the police the next morning believing I had caught a criminal red-handed. The police operator told me that there was ‘nothing they could do’ as it was not a police matter, it was a Facebook issue. I was advised just to block him, as he obviously wasn’t my friend. I hung up the phone feeling bitterly let down and confused. I was told I wouldn’t be getting a crime number, as my case ‘isn’t a real crime’ and more of a civil matter, and perhaps I should seek legal advice. That legal advice told me that the definitions of the new law regarding revenge porn and its phrasing meant that my case wouldn’t be suitable.

Since I have chosen to bring this subject to the public’s attention, I have had mixed reactions to the whole episode. I have had random strangers come up to me in the street and start talking to me about it, which I do still find embarrassing. I have had people come to me about it at parties, where I should be enjoying myself. I have had customers ask me where they recognise me from, then give me a sympathetic, pitying look when I confirm from where. Overall, I have been treated like a victim by everyone apart from the law.

Perpetrators surely need to fear that their online actions will have real consequences. My photos are still online. I am sick of being a victim. What I ask is that, with your help, never again will I and others be made to feel insignificant when reporting an online abuse crime.”
12.47 pm

**Liz Saville Roberts** (Dwyfor Meirionnydd) (PC): I thank the right hon. Member for Basingstoke (Mrs Miller) and the hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart) for securing the debate. We have already heard many striking and distressing case studies that we could discuss. Someone who contacted me wishes to remain anonymous, so I shall respect that, but I very much wanted to raise his case because it involves Facebook. The gentleman in question is a teacher. Before I was fortunate enough to arrive in this place over a year ago, I was also a teacher. I was very much aware of how vulnerable teachers are to comments from pupils and others and also, given the importance of child protection, how that vulnerability can be used against teachers and how little protection they have.

This gentleman contacted me earlier this week to express his frustration at Facebook. Despite having no Facebook account himself, pupils had stolen images from his websites and used them to create a false Facebook page in his name. This page then attracted other pupils at the school. At one stage, the headteacher, who not unusually had little understanding or experience of Facebook, suspected the teacher of deliberately attracting pupils. If the pupils had not finally admitted to creating the false page, the teacher could easily have lost his job. He was effectively unable to prove that he was not responsible for the page.

In this instance, the victim stated that the police could only advise him to contact Facebook, but in his experience Facebook was unhelpful—here I am summarising the magnitude of the problems he had with it. First, the teacher had to get the password details from the pupils before the page could be taken down. Secondly and importantly, in raising questions about data protection, it became apparent that the teacher had to apply to the Data Protection Commissioner of Ireland, because that is where Facebook’s international office is based. All law, except that of the United States and Canada, has to be handled through that data protection commissioner. It seems that Facebook has broad expectations of users’ behaviour, but is unwilling to take much responsibility, if any, as a platform for that behaviour. There is a worrying lack of procedures to take down false sites, with the onus entirely on the victims to prove their identity. Facebook and other sites need to be held to account for the nature of the services they provide to users, and for whether those services incorporate proper care for both customers and the public at large.

It is not good enough for Twitter to tell me how to hide myself away and block messages from certain people—I had one of these messages when I last looked at Twitter about 20 minutes ago. I want those people and Twitter held to account if there are unacceptable messages on my Twitter account. Finally, I believe that the nature of how social media providers fulfil their duty of care to private individuals requires far fuller parliamentary scrutiny, and I await the Minister’s response.

12.53 pm

**Caroline Nokes** (Romsey and Southampton North) (Con): I add my thanks to the Backbench Business Committee for granting this debate, and I thank my right hon. Friend the Member for Basingstoke (Mrs Miller) and my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart) for securing it. I am sure that members of all parties will, like me, have met in their surgeries the victims of online abuse—or, more often than not, their parents, who come to us seeking some form of redress or often just...
some ongoing safety for their children. It is interesting to note that organisations such as the Girl Guides with their annual girls’ attitude survey have ascertained that cyberbullying is in the top three concerns of girls between the ages of 15 and 20. It is growing in its significance and impact on its victims.

Abuse is abuse, wherever and however it happens. Just because it is online does not make it any less awful, but it does make it significantly harder to identify perpetrators and bring them to justice. It is simply not good enough to shrug one’s shoulders and dismiss the internet as some sort of wild west—ungovernable and devoid of social norms and the laws of the physical world. As my right hon. Friend the Member for Basingstoke said, we must bring an end to anonymity.

We must remember that many of the victims are children. I vividly recall my daughter’s transition from primary to secondary school, now some years ago, when her headteacher got parents together to talk about the perils of Facebook. At that time, social media was growing in popularity, but was still relatively small. There was not the multitude of platforms that are today. The phrase the headteacher used will always stick with me—that, frankly, in her view children were losing the ability to empathise. They were making their unpleasant comments online from their smartphone, and unlike in the playground, they could not see the reaction in someone’s eyes. People are not learning about the hurt caused, but simply banging out a message that can have a terrible impact. The ability to understand and comprehend the hurt that has been caused is disappearing.

It is not just children who are losing the ability to empathise. People often say the most dreadful things online, which they would never repeat in person or even on the telephone. If I receive an abusive email, I sometimes find that the best tactic is to phone up the person. Suddenly, they turn into the most polite and delightful constituent that I could ever encounter.

Rebecca Harris: Does my hon. Friend agree that we could take that slightly further? I have knocked on the doors of people who have been particularly abusive, and they crumble.

Caroline Nokes: My hon. Friend is slightly braver than I am. She earlier used the phrase “keyboard warriors” who we find are incredibly brave in the sanctuary of their own homes, but much more timid in the real world. When online trolls are arrested and we see their pictures in the newspapers, I always think how terribly unpleasant comments online from their smartphone, and unlike in the playground, they could not see the reaction in someone’s eyes. People are not learning about the hurt caused, but simply banging out a message that can have a terrible impact. The ability to understand and comprehend the hurt that has been caused is disappearing.

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and protected. We want them to be confident in themselves, and to know who they can turn to in a crisis. That is one of the reasons why I am so keen on compulsory PSHE and SRE. We need young people to be able to recognise what constitutes an abusive relationship, we need people whom they know they can tell, and we need teachers who are equipped to deal with these subjects. We know that they are not easy subjects to teach, so they should be made statutory, and teachers should be trained so that they themselves will be confident in their ability to deliver excellent quality in this respect.

My right hon. Friend described the blurring of offline and online worlds. We desperately need to plot a path towards ensuring that our children are much more secure and protected.

1.1 pm

Liz McInnes (Heywood and Middleton) (Lab): I, too, thank the right hon. Member for Basingstoke (Mrs Miller) for initiating the debate. I also thank the Backbench Business Committee. I think it very important for us to raise these issues. I have been shocked by some of the examples that have been given today, but I am afraid I am going to add to them.

Online abuse is not a technological problem; it is a social problem that just happens to be powered by technology. I will not deny that social media can be a force for good, disseminating information and allowing people to share jokes or simply keep in contact with friends and relatives. As has already been pointed out, we, as MPs, are encouraged to be as accessible as possible—to be out there with websites and our Facebook and Twitter pages, staying connected to our constituents and keeping them as well informed as possible—but more and more, especially in the case of female MPs, our “out-thereness” makes us a target for online abuse. Indeed, most prominent women in any field will have stories of vile comments posted to or about them, usually by anonymous sources. When it is allowed to rampage unchecked and unmoderated, social media becomes much more accurately titled “unsocial media”.

There is, of course, the “free speech” argument, which unfortunately appears to many people to be the divine right to say whatever is on one’s mind without any regard for the consequences. With free speech, however, comes the responsibility to deal with the consequences of one’s words. What concerns me, particularly in the case of Twitter and Facebook, is the apparent lack of a coherent policy on what constitutes “online abuse”. Let me give a few examples.

Twitter policy states:

“We do not tolerate behaviour that crosses the line into abuse, including behaviour that harasses, intimidates, or uses fear to silence another user’s voice.”

With that in mind, when I received a threat on Twitter during the referendum debate—

“We’ll see what you say when an immigrant rapes you or one of your kids”.

I reported it to Twitter, using its online pro forma. Surely this racist, violent and targeted abuse crossed the line into behaviour that harasses and intimidates, which Twitter policy claims to be against. But no; the response that I received from Twitter was “it’s not currently violating the Twitter rules”.

The killers of Lee Rigby, who was from Middleton in my constituency, posted explicitly on Facebook what they were planning, yet that was never picked up and investigated. I recently reported a vile and misogynistic comment made about another female MP on Facebook. It read—and I quote selectively—

“She looks like” an effing “mutant and should be burnt at the stake”.

That comment, with its foul language and its violent categorisation of women as “witches” who need to be disposed of, received the following comment from Facebook:

“We’ve reviewed the comment you reported for promoting graphic violence and found that it doesn’t violate our community standards.”

The reply continued:

“Please let us know if you see anything else that concerns you. We want to keep Facebook safe and welcoming for everyone.”

Well, if that is Facebook’s idea of a safe and welcoming environment, I would not like to see what it considers to be a no-go area.

Seriously—and I am being 100% serious—the responsible thing for Twitter and Facebook to do is to use algorithms to identify hate speech. Words such as “Islamophobe”, “murder” and “rape” could then be picked up, and the accounts in question could be investigated. It is totally irresponsible of social media platforms to allow unchecked and unregulated discourse. That would not happen in any other walk of life.

Twitter and Facebook appear to rely solely on reports by users of abuse and hate speech. They place the responsibility entirely on the user, and even then the pro-forma reporting procedure is often too simplistic to allow the actual problems and concerns to be accurately conveyed. Yes, the police can be notified, but we are all aware of the diminution in police numbers that has taken place under this Government and the previous coalition. I call on the Government to make funds available for training, and to increase police numbers in order to deal with online abuse. I was interested by my right hon. Friend’s suggestion that social media platforms should be asked to provide a levy to pay for those measures.

I have concentrated on abuse directed at female politicians, although I accept that online abuse takes many other forms and that many other groups are targeted, because this does seem to be a gender issue. Abuse is directed more towards female politicians than towards our male counterparts, and studies have shown that, in the United Kingdom, 82% of the abuse that is recorded comes from male sources. Social networks could take a strong and meaningful stance against harassment simply by applying the standards that we already apply in our public and professional lives. Wishing rape or other violence on women, or using derogatory slurs, would be unacceptable in most workplaces or communities, and those who engaged in such vitriol would be reprimanded or asked to leave. Why should that not be the response in our online lives?

Let us never forget that words carry weight, and that language has a consequence. Once it has been said, it cannot be unsaid. Whether it be uttered face to face or typed from behind a social media avatar, there is no
hiding from meaning, and we should confront now the ever-spreading plague of misogyny, abuse and threats online.

1.9 pm

Seema Kennedy (South Ribble) (Con): I pay tribute to my right hon. Friend the Member for Basingstoke (Mrs Miller), and to the Backbench Business Committee. My right hon. Friend is a great champion of causes such as this, and I think that the passion that is being expressed in every speech shows how important the issue is.

Twenty-one years ago, I sat with a wise and, I now realise, very farsighted friend, and we talked about a new phenomenon called the internet. All that I knew about it was that the scientists at university used it to send messages to each other, but he said that we would live through a revolution as great and thrilling as that wrought by the proliferation of newsprint in the 17th century, which would lead to a new way of communicating—indeed, a complete shift in social discourse—and so it has proved. I have returned to that conversation many times over the past two decades, and never more so than in preparing for this debate. We, as legislators, are print children, on the whole, but we need to draft laws for our digital children.

I would like to quote from Lord Toulson’s dissenting judgment in the case of PJS v. News Group Newspapers. I am sure that hon. Members know of that case. It involves a celebrity couple who were trying to stop the publication of their identities in print form, even though their names were widely quoted on the internet. Lord Toulson said:

“The court must live in the world as it is and not as it would like it to be”

and

“the court needs to be very cautious about granting an injunction preventing publication of what is widely known, if it is not to lose public respect for the law by giving the appearance of being out of touch with reality.”

I am not passing comment on the rights or wrongs of that particular case, but making the point that we, as legislators, must adapt to the new lives, and threats, that face all of us today.

Online abuse is crime. It is not banter, it is not teasing, and it is not fair exercise of free speech. The hon. Member for Ochil and South Perthshire (Ms Ahmed-Sheikh) spoke very powerfully. Indeed, many hon. Members—females, although I am glad now to see some men in the Chamber—have talked about their own experiences. I pay tribute to them, as I do to the victim statement that we heard from my hon. Friend the Member for Eastbourne (Caroline Ansell). Online abuse, in and of itself, is a crime in terms of the effects that it has on its victims: anxiety, depression, and changes in everyday behaviour resulting in people staying at home and not being able to go to their jobs. Sometimes it leads to suicide. Crucially, online abuse is a gateway to real-world stalking, physical and sexual abuse, and even murder. Digital-Trust has highlighted the murders of Angela Hoyt, Ildiko Dohany, Lorna Smith and Sofyen Belamouadden, all of which began in the virtual world. Like many hon. Members, I am sure, every time I meet teachers they report online abuse as one of the factors in the growth of mental health problems in the young over the past decade.

In terms of crime prevention and reduction, there need to be constant changes to environmental and societal attitudes which run in parallel with, or sometimes slightly behind, changes in the law. Many hon. Members have said that there needs to be cultural change as well as legislative change, but looking back on social changes over the past half century, often we in this place are the leaders and society follows us.

Anna Turley: I am very grateful for the strength of feeling expressed across the House. I have introduced a private Member’s Bill, to be debated in March, to address malicious communications on social media. I would be delighted to work with colleagues from across the House and, I hope, Ministers, to see whether we can use that as a vehicle for the legislative change that the hon. Lady talks about.

Seema Kennedy: I applaud the hon. Lady’s private Member’s Bill, and I am sure that lots of people will support her next year.

On legislative and societal changes going in step together, let us think about the strides that have been taken over the past 40 years in changing society’s attitudes to physical and sexual violence against women and children. When I started at law school, rape in marriage was still allowed. When we were all at primary school, our teachers were allowed to smack us around the head. We had to legislate on these things before society followed us. It is incumbent on us, as legislators, to lead that charge.

Schools now take very seriously their duties to children with regard to bullying and what happens in the playground, but we must also make the virtual playground where many of our children and grandchildren spend so much time—indeed, we all do—a safe space for them. The internet, as compared with the real world, is still largely ungoverned. Some people argue that it is an ungovernable space where an online abuser’s odious views go unchallenged. In fact, they are not just unchallenged but reinforced, amplified and nurtured.

Having spoken to my area’s chief constable in Lancashire, I know how much time he and all his colleagues take in dealing with online abuse, yet, try as they might, they need more support. Victim Support has said—many hon. Members have quoted these statistics—that only 7,500 out of 125,000 police officers have been specially trained to investigate digital crime. I ask the Minister to make representations to Home Office Ministers about plans to increase that number.

There is currently a plethora of laws that deal with online abuse. My right hon. Friend the Member for Basingstoke, very politely, used the word “piecemeal”. I think we might better call it a ragbag of laws. I urge the Government to carry out a wholesale review of the existing laws so that we are not out of touch with reality. I wholeheartedly echo and agree with my right hon. Friend’s suggested changes.

Our current law of libel had its origins in the 17th century proliferation of newsprint. We need to respond to the current revolution in communication and social discourse by legislating, in the words of Lord Toulson, for “the world as it is and not as we would like it to be.”
Patricia Gibson (North Ayrshire and Arran) (SNP): I am grateful, Mr Deputy Speaker, for being escalated up the speaker’s list to allow me to leave the debate to attend a Committee.

I extend my thanks to the right hon. Member for Basingstoke (Mrs Miller) for securing this debate, and also thank the Backbench Business Committee. It strikes me that the Chamber is dominated by a female presence. I think that confirms what we might not know scientifically but know instinctively—that this issue confronts female MPs far more often than it should, and much of it, at its heart, is based on misogyny.

We have heard from a number of speakers, and we all understand that online abuse is a serious and growing problem. Unfortunately, we live in a world where it is deemed acceptable for some people—“keyboard warriors”, as they would be called—to hide behind their computer or tablet and target abuse and aggression towards people they do not like, simply because they can. The anonymity and the distance from which the abuse is hurled gives the sender of these messages courage that they would not otherwise feel, with the added bonus that it is felt that whatever one wishes to say, however hurtful, aggressive, threatening or nasty, can be said with impunity. How cowardly! I applaud and fully support the work of the Reclaim the Internet campaign, which is a call for action to challenge abuse online, bringing together groups from across civic society to signal that enough is enough. Such online abuse is not acceptable, and anyone responsible for it must be held accountable.

One of the most pernicious aspects of online abuse is that it seeks to normalise bullying and intimidation of other people. We would not tolerate such abuse offline, so it must not be tolerated online. What kind of world are we building for our younger people when the UK Safer Internet Centre has published a study that found that of the 13 to 18-year-olds surveyed, 24% had been targeted due to their gender, sexual orientation, race, religion or disability? Victim Support has found that 41% of young people have reported persistent and targeted bullying online from their peers. Those who send such messages are clearly intending to hurt, frighten or distress the recipients. Do they think of the consequences—the impact that their abuse has on the recipient? Sadly, I believe, they simply do not care.

In the political sphere, too, people use the internet to threaten violence, hurl vile abuse, or seek to silence the voice of others through intimidation. This is simply not acceptable, and that is the message that must go out from this place. Robust political debate is part of our public life, and we must foster and cherish it, but what cannot be tolerated is the lowering of political debate to threats of violence or to insults based on misogyny, homophobia, sexism, racism or disability. We must all counter the idea that it is legitimate to abuse someone online simply because they are in public life. That just erodes and cheapens democracy and ultimately legitimises abusive behaviour in wider society.

Regardless of political differences, debates must be conducted with respect, but too many people have forgotten that over the past couple of years, online abuse can be just as destructive, distressing, upsetting and disempowering as physical abuse. As far as I can see, the perpetrator of such abuse seeks to shut up, close down, and silence the voice of the person they choose to abuse. The police are working hard to adapt practices to cope with the new world in which we live, where the internet has added a new dimension to criminal acts—and make no mistake, criminal acts are what we are talking about here.

Online abuse is currently covered by at least 30 different pieces of legislation. The legislation must be fully utilised, and Victim Support is calling for a review to identify any possible gaps. That is an important point because it is estimated that 70% of all crime will be cyber-enabled in around five years’ time, and the criminal justice system must be in a position to respond flexibly and adequately to support victims when required. I would like to hear the Minister’s thoughts on that.

The everyday, casual online abuse seen by too many people must not be viewed as harmless, or dismissed and deleted. It must be sought out and challenged. Like so many of my colleagues and too many of the ordinary hard-working people whom we represent, we have to face this casual abuse and, like so many others, I have until recently simply pressed the delete or block buttons whenever I have been in receipt of such nastiness. Now, however, I report abuse to the police and have had cause to do so recently in the light of the appalling and dreadful murder of the late Member for Batley and Spen.

No one should have to tolerate abuse or bullying—no matter what their line of work or what justification the sender of such abuse might have. It is not on. It seems that the most common victims of such abuse are women and children, but the problem is widespread and affects others outside those groups. If we are to seek any credibility in this place, we all need to send out a clear message and use our position as MPs and as leaders of political parties to condemn this behaviour unequivocally, as the First Minister of Scotland has done, wherever it comes from.

Like many hon. Members, I used to think that deleting such messages was enough, but no longer. MPs have a duty to ensure that messages are challenged and that doing so deters those who would engage in such activity. I sincerely hope that this debate will send a clear message to those who feel that they can abuse any person they choose by typing nasty and abusive comments with their keyboard that there is no hiding place. Such behaviour is cowardly and reprehensible, and we must encourage and support all victims of abuse to report it to the police. We as MPs must ensure that we do the same. It is time to reclaim social media from those who use it with impunity as a vehicle for working out their personal frustrations and tendency to bully. Enough is enough.

Kit Malthouse (North West Hampshire) (Con): I have met my fair share of bullies in my time. As you may have noticed, Mr Deputy Speaker, I am, as they used to say in my home town of Liverpool, a chap who is built like a brick outhouse—I think that is the parliamentary version of the term—so bullies have not really bothered me much over the years. However, I am aware, not least as a father, that the internet and social media have brought about two big changes that have meant that I probably would not have avoided bullying were I a teenager now.
First, bullying is now 24/7. As other Members have said, it is inescapable. There is no refuge from bullying these days—no chance to get home, shut the back door and sit down to your fish fingers safe in the knowledge that it will not occur again, at least for a few hours. Secondly, social media has unfortunately decreased our children’s resilience, creating a whole host of exploitable vulnerabilities, including eating disorders, self-harm, harmful sexual behaviour, depression and anxiety. For teenagers, many of whom are hard-wired to take the judgments of others to heart, the amplification of bullying that the online world allows will obviously lead to more permanent damage.

As many Members have said, it is pretty shocking that we have allowed things to get to this stage. We seem to have sleepwalked into an epidemic of terrible mental health, particularly among children, whose self-confidence has been wrecked by social media with its unrealistic expectations and the kind of digital solipsism that it seems to encourage. Perhaps it is because we have been too wrapped up in our own smartphones to notice their obsession—too wrapped up to remember that there are two distinct types of people in society: adults and children. It is the job of adults to make decisions about the boundaries that protect children from harm even when they do not always like it. Instead, I fear that we have become carried away by technology, which has led us to become too indulgent to be seen to be backtracking.

The current generation of teenagers are glued, perhaps irreversibly, to a social media world filled with images of continuously perfect, happy people—so obviously fictional—paired with the unavoidable realisation that they can never attain that ideal. The result is both an insatiable sense of entitlement combined with a crushing hopelessness, which can only lead to self-loathing and anger. They are too often made to feel like failures. Throw into that mix the pressure of exams and the signal sent to children that their entire future and value as a person rests on their academic performance and social standing at school, and it is no wonder that cyber-bullying is the trigger for a whole host of problems. Such pressures contribute to deep unhappiness and many feel the need to put on a brave face and not burden their families, which compounds the isolation.

As the president of ChildLine, Esther Rantzen, wrote recently, unhappiness and low self-esteem are the main new phenomena that the organisation is seeing. It only appeared in the top five of children’s worries a couple of years ago but accounted for 35,244 of their counselling sessions last year alone. Make no mistake, we have done little to halt the trend and it is only going to get worse. We must not consign the next generation of teenagers to the same fate.

Turning to the main subject of the debate, the resilience-sapping effect of social media and the addiction to smartphones are far more fundamental and intractable than the cyber-bullying issue, which is a product of them. There is much to be said about how we tackle cyber-bullying. Many people need to be involved in that conversation and consultation, which will have to include the mega-corporations, such as Facebook, that are the common platforms on which the problem occurs. We have let the resilience issue get out of control as a result of complacency in Parliament and an inertia in law, and we need to address them with more urgency than the bullying.

Like many Members, I hope that the response to the bullying issue will take the shape of a new online offences Act, which would replace the 30-plus pieces of legislation currently covering online abuse. It would include, among other things, a specific online abuse offence as well as an extensive definition of the duties of internet service providers in relation to young people. On resilience, we also need to get on with a children and young persons Act that is fit for this age, in which we can clearly define the duties of parents, in law, to help them cope with the impact of social media on their children. It is plainly not right that under-16s spend an average of three hours a day online, making them, according to experts, much more likely to suffer mental health problems, or that two in three 12 to 15-year-olds have their own smartphone given that parents have no idea what they are doing on them.

Spending too much time on social media has been shown to inhibit personal development by many different researchers, including in research carried out by the Government. We must be less complacent about the evidence. The change has been allowed to happen partly owing to parliamentary complacency, but also parental naivety and short-sightedness, and we need to put things right. No one is particularly to blame. That this House has failed to consider the issue properly is down to the same reason that parents across the country and around the world get caught out so badly by the change. Nothing comparable was around when we were growing up, and we are not equipped with the knowledge or understanding to guide children in their use of social media, especially as children themselves seem to be driving the evolution of the platforms on a daily basis.

The pace of change also explains how the main pieces of legislation on children are so out of date. The Children and Young Persons Act 1933 and the Children Act 1989 constructed the framework under which we still operate today, but obviously they do not have anything to say about parents’ duties to children in the social media age or about cyber-bullying. Making it harder still, it appears that getting the guidance and supervision right requires a level of intrusiveness that was not commonplace among parents of previous generations, one that children today will certainly resent and resist. Understandably, given where we are now, any group of teenagers would react with horror at the idea of handing their smartphones in at the beginning of the school day and picking them up at home time.

Seema Kennedy: My hon. Friend says that teenagers might resist that, but he began by saying that there are two groups of people in this world—adults and children—and surely it is incumbent on us adults to make them give these things up.

Kit Malthouse: Exactly, as I was about to say. Let me continue: but I will be firm here and say that the reason we have not done something in a systematic way, when teachers and experts on children have been telling us for some time that there was trouble brewing, is down to an increased weakness of parents and some teachers who act as though it was the children who should set the rules. Once again, adults seem to be unwilling to act as
adults, meaning action has been weak or tentative. However, given the gravity of the situation in children’s mental health, in particular, we obviously cannot afford for that to continue. We need a new direction from which to approach this important area, but it is right to deal with the causes as well as the fallout.

I fear that this situation is again down to an indulgence that leads people to the conclusion that we can never declare that what someone is doing is harmful or bad for them, even when that person is not yet an adult and cannot be expected to understand properly what is good for them. Increased funding for talking therapies for distressed young people, which everybody has been pushing for over the past few months, is right, but no amount of therapy will stem the tide of the children’s mental health crisis if the root cause of why we need this resilience is not addressed.

I agree with many hon. Members who have spoken today about the need for legislation to clarify and consolidate the law relating to offences committed online. More fundamentally, however, we need to look more seriously at the resilience of children, at availability and at the time they spend online, and decide for ourselves, as parents and as a country, whether we should set firmer boundaries about what they can and cannot do in their own time.

1.32 pm

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): I thank the right hon. Member for Basingstoke (Mrs Miller) for securing this debate, through the Backbench Business Committee. We have heard some powerful and personal accounts from Members from across the Chamber, and it goes without saying that online abuse is a severe and expanding issue. It is one that the Scottish National party utterly condemns, and my party supports any measures that may ensure that those responsible for this abuse are held accountable for their actions. I know those sentiments are carried throughout this place, on a cross-party basis, and the consensus on this issue is important in order to tackle it. The scale of online abuse is truly shocking; there is much evidence to suggest that it has become incredibly widespread. The chief executive of the College of Policing, Alex Marshall, has stated that there is anecdotal evidence to suggest that complaints relating to social media now make up at least half of all calls to the police.

There has been equally widespread coverage of online abuse, particularly in the tabloid press, although some may contend that this has the potential to add to the problem, rather than address it. Sometimes the headlines and tabloid splashes can detract from the severity of the reality of online abuse. The think tank Demos has conducted research suggesting that about 12,000 threatening tweets containing the word “rape” were sent from UK accounts in one year. That is just one example of the plethora of misogynist and aggressively abusive tweets sent to women online. The recent Gamergate controversy showed some horrific online abuse of women in the video game industry. What was truly shocking was the herd mentality and the co-ordinated campaigns of abuse targeting individuals. Gamergate garnered much media attention stateside, and measures to tackle online harassment are being taken more seriously by Congress as a result.

This abuse is often vicious and nasty. Although most of us will have the strength of character to deal with it, it does not make it any more acceptable. We also have a duty of care to our young people, many of whom will not be well placed to deal with this abuse and cyber-bullying. I commend the Department for Education’s efforts in this area, particularly the advice it issues to help deal with cyber-bullying. The work of organisations such as ChildLine and the National Society for the Prevention of Cruelty to Children is even more praiseworthy; their freephone helplines are an invaluable resource, as is their online advice for those being bullied. I would also like to take this opportunity to commend the work of the Time for Inclusive Education campaign in Scotland. In a very short space of time, the campaign has managed to garner the support of the main political parties and of high-profile figures across Scotland. Equality training is an important measure in our schools. Teachers need to be trained on LGBTI+, lesbian, gay, bisexual, transgender and intersex+, issues, and that includes recognising the signs of bullying and cyber-bullying, so that they may act to put a stop to individual cases.

The repercussions of cyber-bullying are serious; young and impressionable people can suffer very serious losses in confidence. More seriously, it can lead to depression and self-harm, and, tragically and regrettably, as we have heard, it has led to young people taking their lives. I welcome any efforts that would strengthen legislation in this place, or in the devolved institutions, to help tackle this abuse. I would also like to reiterate today to anyone listening to this debate who is the victim of online abuse or bullying: you are not alone, speak to someone you trust and do not hesitate to contact the police to report it.

We have a duty here to work together to tackle cyber-abuse and bullying proactively. As high-profile individuals, we have no doubt all experienced some form of it ourselves, and can no doubt empathise with all victims of this kind of abuse. We are their voices, and we must use our voices to effect real change.

1.37 pm

Gavin Newlands (Paisley and Renfrewshire North) (SNP): I thank the right hon. Member for Basingstoke (Mrs Miller) and the hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart) for securing this debate, through the Backbench Business Committee. Let me start my contribution by saying how much I value social media. As an MP, it allows me to engage directly with constituents, enabling me to promote the work I do. Social media also makes it easier for my constituents to contact me and for me to hear at first hand from my constituents about the issues that are important to them. I also know that the general public value their use of social media. It has become a staple part of our daily lives—my wife would probably say it has become far too much of a staple. Tools such as Facebook and Twitter allow people to keep in touch with one another regardless of whether they are in different corners of the globe or, sadly, just in different corners of the living room. In the UK, Facebook has 32 million users and Twitter now has 16 million users tweeting on a daily basis. The vast majority of people who use social media do so in a respectable and cordial manner. They engage with other users in a friendly and cordial manner. As a politician, I can testify that the
overwhelming majority of people who talk to me online, even those who disagree, do so with respect—or something close to it. However, as with a lot of things, there are always a few who ruin it for everyone else, and unfortunately social media and other online forums do have a small but significant minority who engage in abusive and poisonous behaviour.

Like every other political party, the SNP condemns all online abuse and supports any measure to ensure that those involved are held to account by the security and policing authorities. The First Minister of Scotland has addressed this issue and is one of UK politics’ best users of Twitter to communicate and engage with the electorate. She has previously said that robust political debate forms an important part of a democracy, but that debate and discussion must be conducted in a polite and appropriate manner. I think that is a message that we can all agree on. I do not accept the view that public servants are fair game to be abused and that such abuse is part and parcel of being a politician. Any abuse, no matter who is on the receiving end of it, should be condemned—that includes threats to politicians. Like many Members in this Chamber, I have had some abuse, but the cowards that troll online are usually men who reserve some of their worst abuse for female Members. These are not real men hiding behind their keyboards and their anonymous user names, but small and pathetic men whose actions can ultimately have serious and tragic repercussions.

Politicians are not the abuser’s only target. It appears that no one can escape the poison that blights the internet. I spoke in the debate during carers’ week and mentioned that a lot of carers were tweeting about their experiences of caring for a loved one. That online campaign was incredibly informative and provided an insight into the issues that carers face. However, it is shameful that even carers cannot escape the abuse from the trolls.

We need to get to the bottom of why so many people think it is okay to send abusive online messages. In 2014, 1,209 people were convicted of internet trolling under section 127 of the Communications Act 2003. Of those convicted, only 155 were jailed for sending messages or other material that were grossly offensive or of an indecent, obscene or menacing character. The truth is that there are far, far more people engaging in abusive activity than the 1,209 people who were convicted, let alone the 155 who served some jail time. The scale of the problem is unclear. The think-tank Demos found that 10,000 tweets aggressively attacking someone were sent from UK accounts over a three-week period.

As a father of two young girls, I am particularly concerned about the increasing incidence of children being bullied online. The rise of cyber-bullying has allowed bullies to extend their vicious behaviour beyond the classroom. There are currently no official statistics on the number of children who are bullied, but from research studies and from what children tell us, we know that bullying is an issue that affects almost all children in some way. DoSomething.org, one of the largest organisations for young people on social change, suggests that nearly 43% of children have been bullied online, with this abusive behaviour occurring on more than one occasion.

Equally worrying is that 90% of teens who witness social media bullying say that they have ignored it. Kids who are lesbian, gay, bisexual, transgender, transsexual and intersexed, who have a disability, and who are from African, Caribbean, Asian, middle eastern and other minority groups are far more likely to encounter such cyber-bullying.

We must also consider why people on the receiving end of such abusive online behaviour choose to ignore it. We simply would not accept it if we witnessed abuse in person in the street or in the classroom. We should send a message that cyber-bullying and any form of online abuse cannot be tolerated and should be reported at every opportunity.

As I mentioned earlier, the rise of the internet and social media has made it easier for women to be attacked and abused. The revenge porn helpline has received almost 4,000 calls in the past year from people receiving sexually abusive messages online. Reported cases of revenge porn—the sharing of explicit or sexual images without consent—have risen markedly, with alleged victims ranging from 11 years old to pensioners. Two thirds of the incidents involved women under the age of 30, with suspects mainly being former partners. There were eight complaints from females to every one complaint from a male. Such statistics sound all too similar to the incidence of domestic violence.

Undoubtedly, this is an extremely difficult problem to solve, but work is being done to reduce cyber-bullying. For instance, the Scottish National party Government have funded Respectme, which was mentioned earlier. Scotland’s anti-bullying service, which acts as a source of information for young people in Scotland, has created and made available publications to raise awareness on the issues of cyber-bullying. Respectme has highlighted the fact that bullying is bullying whether it takes place in the street, in the playground or online and we should treat it all with equal import.

We need to develop effective policies to tackle online bullying in all its various forms. We should send out a central message that anyone who has been a victim of online abuse should not hesitate to report it to the police immediately. I agree with the hon. Member for Heywood and Middleton (Liz McInnes) that companies such as Facebook and Twitter could and should do much more to investigate or block abusive posts. No one should have to go home from work or school and experience online bullying. As well as offering support to the victims of online bullying, we must also take serious action to deal with the perpetrators of this vicious, poisonous and, ultimately, cowardly behaviour.

Ruth Cadbury (Brentford and Isleworth) (Lab): My apologies, Mr Deputy Speaker, for stepping out of the Chamber, but I was involved in a school visit. I thank the right hon. Member for Basingstoke (Mrs Miller) and the hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart) for securing this very important debate. I also thank all those Members who have spoken before me and whom I have been able to hear.

Technology is a central part of our lives today; it is a tool. Sadly, used maliciously, it can be turned into a weapon that can have, and indeed has had, damaging
and sometimes devastating consequences for victims. As others have mentioned, Members of this House have been victims of such abuse, and some have been sufficiently frightened by the abuse that they have been afraid to go home at the weekend. Most victims do not have the benefit of the police and parliamentary support that we have here. Like all bullying, bullies tend to target people who already feel vulnerable. Members have rightly acknowledged the gaps and the need for action, legislation, police and prosecutors, and, most importantly, awareness.

I want to focus my contribution on online abuse and harassment in schools and the importance of effective and consistent school management and curriculum policies to complement the effective legislation that we also need. I am honoured to be on the Women and Equalities Committee under the chairmanship of the right hon. Member for Basingstoke. We have been addressing the issue of sexual harassment and violence in schools. Our report is not quite ready, but I am sure that my Chair will not mind if I give a little flavour of what we have experienced. We were shocked by the extent that sexual imagery, abusive sexual relationships and objectification of women have been normalised by young people. We had two sessions—one with young men and the other with young women—in which we were told about the experiences of young people of the use and misuse of technology in and around the school environment. If we do not understand and address that misogyny, homophobia, Islamophobia, racism and all the other kinds of abuse, we risk turning victims into criminals, which means that they will not get the support that they so badly need.

I wish to focus my remarks on the experience brought to me by one of my constituents, a headteacher at a successful and thriving secondary school. Recent safeguarding investigations introduced him to the shocking mobile and cyber-world in which virtually every child in his school and, he presumes, in other local schools and therefore nationally seem to be engaged for unfeasibly large proportions of their days and nights. What happened in his school started with the exchange of photos between two students who were in a consensual relationship, but it escalated. The images got out. There was blackmail and violence, and the police were involved. Criminal charges were considered. What started as a consensual relationship ended up as truly violent abuse, and it could have been prevented.

The situation raised some really important aspects of child online and mobile safety and the equalities agenda, which appear to be being ignored. The headteacher is seeking a body of work in some key areas that has cross-party and organisational support that can help schools and parents to safeguard children much more effectively.

It is right to focus on strengthening the law, but we need to look at a parallel solution if we are not to put thousands of teenagers at risk of criminal charges when education and child protection are more in order. Although tackling offenders and strengthening the law are very important, they are only a small part of what needs to be done and are not on their own a real solution. If we do not want young people to be needlessly and unfairly criminalised, elements of the law and the context of the online abuse must be thoroughly analysed before changes are made. We must focus not so much on reaction, but on prevention. The law is not always the correct tool, and it must not be used when young people are engaging in unwise activities—as so many do—which relate to the expectation and culture of a mobile and cyber environment in which appropriate adults have virtually no presence and where, too often, we leave them abandoned and to fend for themselves.

My constituent contends that a strong positive culture must dominate any community, including the online and mobile community, because when it is absent, there will never be a vacuum—a “street culture” will fill the void. Alas, he fears and he sees that this is the case with the mobile and cyber-worlds that our children spend so much of their day and night lives inhabiting. We need to take care not to end up targeting and criminalising young people who are, in fact, victims. This will require significant training and support for the police, as other Members have mentioned, and for others whose response to such crime already appears to be under-confident and very variable.

My constituent subscribes to a restorative justice approach in his school, and that might be appropriate in cases where mitigating factors are considered. He asserts that the ignored fact is that the vast majority of young people are already mobile and online victims in a largely unsupervised cyber-world. Although the internet gets considerable attention from safeguarding organisations and in training, mobile activity and mobile-based abuse are, in fact, even more rife but more neglected by us adults. Parents, teachers and other adults normally responsible for the routine safety of children are best placed to supervise and guide young people, yet they are largely absent from the potentially dangerous environment and too little is being done to address that omission.

There is an over-focus on the internet and the wrong applications, such as Facebook, because they are what we older people use and are familiar with. The mobile world and the dark web get less attention, yet they are part of most children’s experiences—perhaps the dark web to a lesser degree. There are lots of apps. I know Snapchat, but I do not use it. Hon. Members have probably never even heard of other apps unless we have asked our kids to tell us, and that does not always happen. The mobile and online culture in which our children live and grow up is dominated by mobile and the internet in the primary years for some of them but in early secondary for many more—is their normality.

This normalisation, with no appropriate adult presence to challenge it, is what leads to the lack of reporting of sexual and other mobile, online and cyber-abuse. We must deal with the issue that young people do not want to go to court, or they do not want perpetrators to be punished. The idea that abuse is not worth reporting is not necessarily an indictment of the criminal justice system, but it may not be considered worth reporting when it is seen as normalised.

Data from police forces and court proceedings are only a small subset of the true or possible dataset. The reality is that the relative lack of adult presence in the mobile and cyber-worlds of children, including the practitioners responsible for keeping children safe, means that conclusions drawn on available quantitative data must be received cautiously. We need to establish a different online, mobile and cyber-culture and skill-up children, parents and other adults.

Police, children’s services, health and education staff need consistent training on child exploitation and on how to support victims. In short, parents and other
Nigel Huddleston: All.

Today, we are all connected. We use the internet to conduct business, for entertainment and to connect with our friends through social media. Our mobile phones in our pockets ensure that we are available anytime, anywhere and that we can instantly share photos with family, friends and complete strangers. For

All the stakeholders in the internet economy and, indeed, we as legislators and all other players have an awesome responsibility to ensure that we create a safe environment for our children in particular. The internet has created an environment in which adults behave like children and children behave like adults in a way that we have never really understood before.

Many Members have commented previously on the great work being undertaken in schools in educating children about online bullying. I have seen such programmes in action in schools in my constituency, and I applaud the great work of teachers, as do many other Members.

Members have mentioned the prevalence of children having mobile phones these days. Parents often find it difficult to lock or unlock mobile phones, or to work out how to make them secure in the way that they perhaps have confidence in doing with computers. The average Brit looks at their mobile phone 100 times a day. More people would be willing give up chocolate, showers or, indeed, sex than their mobile phones.

John Nicolson (East Dunbartonshire) (SNP): Which are you giving up?

Nigel Huddleston: I will leave hon. Members with this comment: today is the first time in my entire time in Parliament when I have not looked at my mobile phone to see abuse on Twitter, Facebook or in an email. I lost my mobile phone 14 hours ago. It has been one of the most relaxing and productive days of my time in Parliament, and I highly recommend it.
the vast majority of people, that connectivity has enhanced our lives, but as the historian Melvin Kranzberg wrote in the first of his six laws of technology, “Technology is neither good nor bad; nor is it neutral.”

As we have heard, online abuse is one of the negative consequences of advances in online technology.

While social media can be a platform to share a happy family photograph, it can also be a platform to share content intended to humiliate with as large an audience as possible. While an iPhone can be a helpful tool in keeping in touch with friends, it can also be an instrument through which an individual is harassed and intimidated. While Twitter can provide an opportunity for witty banter, as Members of this House well know, it can also be used by cowardly bullies hiding behind anonymity to send abuse. As the debate has shown, all political parties have sent out strong and clear messages that this behaviour must be strenuously tackled, and we must consider every possible method of dealing with it, including strengthening existing legislation.

Children and young people are often the first to embrace and adapt to changes in technology. However, that also means that they are more likely to be victims of online abuse. Much of that abuse can come from their peers, and it has been exacerbated by the use of social media and the widespread availability of smartphones with cameras. In late 2004, happy slapping became a youth craze throughout the United Kingdom—many people have forgotten about it, but it was covered widely in the tabloids at the time. It involved filming minor acts of violence, such as hitting or slapping a victim, and then circulating the videos via Bluetooth on mobile phones. However, it escalated into more serious assaults, sexual assaults and, in some instances, manslaughter. Social media sites such as Facebook and Twitter have provided further platforms for cowards.

The intention of such videos is clearly to humiliate and intimidate the victim, to make them feel small and worthless, and to share their misery with the world, increasing the feeling that the whole world is against them. Rightly, these videos are roundly condemned. They are removed—sometimes—by site administrators. They are sometimes, but not often enough, investigated by the police.

Other types of abuse are more subtle and more difficult to act against. Embarrassing pictures or videos, altered photos, or photos and videos taken without an individual’s permission can be widely shared without consent. Classic bullying behaviour can manifest itself much more easily online. Victims can be ridiculed and singled out in group messages, rumours can be spread quickly and widely, and victims can be excluded from online activity. The ability to go online does not create bullying, but it helps it to go unnoticed away from the classroom and the playground.

Similarly, those who are most often targeted by conventional bullying are also targeted by online abuse. In February 2016 the UK Safer Internet Centre published a study that found that 24% of those 13 to 18-year-olds surveyed had been targeted due to their gender, sexual orientation, race, religion or disability, or due to the fact that they were transgendered.

**Kit Malthouse**: The hon. Gentleman is making a powerful contribution. One key aspect of this abuse, which he has illustrated so well, is the ability for people on the internet to be anonymous. Is it time for the House to come to a view about whether we should allow internet anonymity to persist in this country?

**John Nicolson**: It is an interesting issue: do we have an entitlement to anonymity? Perhaps we do, and perhaps we should preserve that. However, I would have to think about that. My answer is I am not sure. I was interested in the suggestion by a Labour Member that Facebook and Twitter should use technology to identify certain troll words and that using them should result automatically in the suspension of the accounts concerned. Perhaps the Minister will address those issues, among others, in his speech, and perhaps he can go away and look at them later.

One in 25 of the young people who spoke about this issue in a variety of surveys said they were singled out for abuse all or most of the time. That is a horrendous thing for young people to have to deal with. Teenagers with disabilities, and especially teenagers from African-Caribbean, Asian, middle eastern and other minority groups, were much more likely to encounter cyber-bullying.

To target cyber-bullying north of the border, the Scottish Government have funded Respectme—an anti-bullying service that acts as a source of information for young people. It has created and made available publications to raise awareness of cyber-bullying. The service works particularly well with adults involved in the lives of children and young people, giving them the practical skills and confidence to deal with children who are bullied and those who bully others. Respectme is keen to stress that, no matter where bullying takes place, it needs to be challenged, and that is a message worth repeating: anyone suffering from bullying, whether online or not, must report it and stand up to it.

Online, children and young people are also in danger of sexual abuse. A recent study by UNICEF, which was published in June 2016, suggested that eight out of 10 18-year-olds worldwide believe they or their friends are in danger of being sexually abused or taken advantage of as a result of online activity. The ability to remain anonymous online, or to take on another identity, is a contributory factor; it leads to an increased likelihood of people receiving unwanted sexual comments, unsolicited explicit material or pressure to participate in sexual activity. As we have heard from many speakers today, that problem is also experienced by adult women, with applications such as Snapchat and Tinder often providing an easy way for men to harass them.

Another increasing phenomenon is revenge porn, which involves sharing private sexual images and recordings without consent and with the intention of causing harm. The revenge porn helpline has received almost 4,000 calls in the last year alone, with cases reported involving children as young as 11 years old. Furthermore, attempts to stigmatise women are extremely common. The think-tank Demos found that 10,000 tweets were sent from UK accounts in a single three-week period aggressively attacking individuals as a “slut” or a “whore”.

Women in public life are often prime targets for online abuse. In Scotland, the three largest political parties are led by women, two of them gay. All three women have to deal routinely with sexist, misogynistic and homophobic tweets. The Scottish Conservative party leader, Ruth Davidson, has suffered horrendous homophobic abuse, and has handled it with humour, honesty and courage.
Online Abuse

Kit Malthouse: One revelation that has come out of the awful murder of Jo Cox is the amount of online abuse directed at Members of Parliament, but particularly female Members of Parliament—or, indeed, anybody who is not a heterosexual white male. Would it be appropriate for the parliamentary authorities to publish an annual report on the levels, content and types of abuse Members of Parliament receive? It comes as a surprise to most right-thinking members of the public to know that their Member of Parliament receives that kind of material.

John Nicolson: That is an absolutely excellent idea. One of the great things about this debate is that people have been able to share their experiences. I suspect that many Members—especially some of the men—are quite surprised to discover just how widespread the problem is, so that would be an excellent thing for the House to do.

In many ways, the online world has enhanced our democracy by allowing people to interact with politicians in a way they could not before. Robust political debate is part of our public life, and we must cherish it, even when it uses language we might not personally use. What cannot be tolerated, however, is people debasing political debate with threats of violence, insults and abuse based on misogyny, homophobia, sexism and racism.

Opposition to online abuse is something that unites all our political parties. However, it is not just politicians who suffer such online abuse when they are famous. High-profile television personalities, journalists, academics, actors and sports people are all subject to abuse, whether it is petty and crude or threatening and vicious.

Online, many people seem to lose a sense of themselves and say things that they would never dream of saying in person. Quite often when I get abuse, I make a point of writing to people to ask whether they can imagine saying such things to me in real life. Of course they cannot imagine it, so why on earth do they feel free to say it simply because it is online? However, hiding behind a pseudonym and a cartoon profile picture does not make the abuse any less real. We have a duty of care as politicians, and it is vital that we send out a strong message that online abuse is wrong always.

One clear message from this debate is that, as we have heard repeatedly, Twitter and Facebook are hopelessly inadequate when it comes to their response to online, and sometimes very violent, bullying. It seems that the House, across both sides and all parties, wants the Minister to tackle Facebook and Twitter on our behalf and, much more importantly, on behalf of all our constituents. I look forward to hearing what he has to say on the matter.

2.11 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I, too, thank the Backbench Business Committee for granting this important debate. I congratulate the right hon. Member for Basingstoke (Mrs Miller) and the hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart) on securing it. The contributions have been characterised by reasonable, well-informed arguments that reflect the consensus around the House and a desire for a constructive improvement in the situation that many of our constituents, and we as Members of Parliament, face.

I may have mentioned it in the past but before entering this House I spent many years as an engineer, building the networks that eventually formed the internet. I did that because I see technology as democratising and enabling, as my hon. Friend the Member for Sheffield, Brightside and Hillsborough (Gill Furniss) also emphasised: technology as something that builds bridges and connects people rather than something that bullies and snoops on people. I spend a lot of time in this House and outside it talking about the positive benefits that technology, and particularly the internet, can bring if harnessed properly. For most of us, the internet is a window on the world. It is a place to learn about what is happening, to keep in touch with friends or make new ones, to buy something, to find a new job, to study or to play games. However, the increasing presence of online abuse means that, all too often, the internet is a place where people do not feel safe. As my hon. Friend the Member for Brentford and Isleworth (Ruth Cadbury) said, technology is a tool that can be turned into a weapon.

As we become ever more connected, there are fewer safe spaces from bullying and harassment. The hon. Member for Carmarthen West and South Pembrokeshire reminded us of some of the horrifying statistics on cyber-bullying. One third of children have been a victim, a quarter have come across racist or sexist messages online and, according to the Safer Internet Centre, four in five teenagers saw or heard online hate in 2015; that is 80% of our children. The hon. Member for Ochil and South Perthshire (Ms Ahmed-Sheikh) emphasised that online porn is available that targets children as young as 11, and the hon. Member for North West Hampshire (Kit Malthouse) suggested that we are sleep-walking into a mental health epidemic because of the impact of bullying and online hate on our young people.

Citizens in this country enjoy the right to walk down the street without being attacked or harassed. When that happens, the police act. Digital citizens should enjoy the same rights online. As the hon. Member for South Ribble (Seema Kennedy) said, we need to protect our digital citizens. In his short but powerful contribution, the hon. Member for Mid Worcestershire (Nigel Huddleston) said that we should focus on our duty to protect young people. To coin a phrase, digital citizens deserve digital rights.

It is the Government’s primary responsibility to keep their citizens safe, but they are failing to do that for citizens online. This is not a tech issue. As the right hon. Member for Basingstoke emphasised, it is about standards, interoperability, protocols, control, industry co-operation, self-regulation and, if necessary, legislation. We cannot just look at what we have now and try to patch over the problems. As well as the Government, internet companies also have a responsibility to keep the internet safe. I welcome the fact that the big internet firms are beginning to take that responsibility seriously, particularly when it comes to children. However, in my view, and in the view of many on both sides of the House, they have been too slow and are still not doing enough. It was great news that Twitter decided to add a button to report abuse, for example, but why on earth did it take seven years to think of it?

It is important that we get the principles right, rather than just trying to keep up with the latest technology, putting regulatory sticking plasters over whatever the
latest innovation is. We cannot keep having this battle with every new internet giant or ubiquitous application.

As a woman engineer in a predominantly male industry, and particularly when I worked for Ofcom, the communications regulator, I remember the outrage voiced by many in the tech sector when asked simply to consider taking responsibility for content. Their main accusation was of undermining freedom of speech, as my hon. Friend the Member for Heywood and Middleton (Liz McInnes) highlighted. They also called parents irresponsible if their children found porn online, and accused women in particular of being over-sensitive when we objected to violent images of rape or to misogynist threats. As my hon. Friend the Member for City of Durham (Dr Blackman-Woods) reminded us, it is women who are often victims of online hate. The hon. Member for Romsey and Southampton North (Caroline Nokes) has a very robust approach to challenging online abuse, but unfortunately we cannot all emulate that.

I remind the industry players of the period when many championed what I would call a wild west approach to online safety. I do not want to undermine the work that they are doing now, and which I will come to, but to highlight that some of the lack of trust in the internet and the reluctance of many to go online can be traced to those early mistakes, when the right support and protection for consumers was not put in place. We now face a new frontier in citizen data control, and many of the same industry players—Facebook, Twitter, Google and so on—are still walking on this. We need to give citizens and consumers control of their data.

On the subject of online outrage, the hon. Member for Rutherglen and Hamilton West (Margaret Ferrier) highlighted the Gamergate scandal. A recent period of online vilification came when I had the audacity to suggest that misogyny in games could perhaps be signposted; not necessarily regulated or eliminated, but simply signposted. That caused outrage among many in the industry, who still do not recognise the importance of social responsibility when it comes to the internet.

As has been said, there are many very bright people in this sector. If they can build algorithms to snoop on our email or phonebook, or to tell us who to be friends with or what washing machine to buy, they should be able to crack down more effectively on abuse and harassment and put me in control of my own data. The new platforms need to understand that. Perhaps it is not seen as a major priority because it does not come with a revenue stream attached, but safeguarding people should always be the No. 1 priority. That is not only because it is the right thing to do, but because if we allow the internet to become a place where only those who shout the loudest or who use the most appalling abuse can have a voice, people will turn away from using it. As the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) said, those involved in such abuse must be held to account.

I am particularly pleased that the motion makes reference to training and education for the police and for young people. I welcome the recent Stand Up to Bullying Day, held on 5 July and organised by the Diana Award, which seeks to build digital resilience. I also welcome the work done by many third sector organisations. This is not a problem that will take care of itself without significant and sustained action from industry and Government.

I also welcome the Reclaim the Internet campaign on which many across the House, including my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper), are working. I am a picture, my right hon. Friend looked to the Digital Economy Bill to provide some appropriate responses to online abuse, but I am afraid that we did not see any. I hope the Minister will be delighted to learn that Labour Members intend to make significant improvements to the Bill. A successful digital economy requires its citizens and consumers to be protected and empowered. Governments and platforms need to use technology to support citizens, instead of leaving the haters to attack them.

The Minister for Culture and the Digital Economy (Mr Edward Vaizey): I am grateful to have the chance to speak. I have no idea how long I have got at the Dispatch Box, but I will keep going until you indicate otherwise, Mr Deputy Speaker.

Mr Deputy Speaker (Mr Lindsay Hoyle): I can help the Minister by saying that if he works on the basis of around 10 minutes, I think we will all be happy.

Mr Vaizey: Let us go for the 10-minute special, then.

I thank my right hon. Friend for calling this important debate. I was lucky enough to work with her when she was Secretary of State. She took on two important issues at that time: Leveson and the issue of press regulation, and equal marriage. She handled both with aplomb, and she has since shown the House how one transitions from such a position to a new role. She has taken a huge and leading role in the House on women and equalities issues. She has certainly pushed forward the important agenda of online abuse, so it is no surprise at all to find her leading this debate and setting out for the Government some very clear approaches and suggestions, which it behoves us to take seriously.

It is worth recalling that when the matter has been raised in the House—for example, when my hon. Friend the Member for Devizes (Claire Perry) first raised the question of children’s access to adult content online—it has resulted in action. Debates in this House may sometimes appear to be simply an exchange of views between Government and Members of the House, but, because this agenda is so fast moving, the House has a great deal of influence on the direction of Government policy. Without wishing to single out individuals too much, I have to say that my right hon. Friend the Member for Basingstoke has pushed the matter forward, not least the change in legislation on revenge pornography last year.

It would be remiss of me to go through every speech that has been made. Some 18 or 19 hon. Members have made contributions, all of which have been serious and worth while. Because this was a lengthy and detailed debate, I appreciated the odd moment of light-heartedness, not least when my hon. Friend the Member for Romsey and Southampton North (Caroline Nokes) told us that she responds to online abuse with a picture of a kitten. That particularly appealed to me, because I have a picture, which is now well known, of a kitten sitting on my shoulder when I visited Battersea Dogs and Cats Home. I will use that in future to respond to my online trolls.
[Mr Vaizey]

I was also amused when my right hon. Friend the hon. Member for North West Hampshire (Kit Malthouse) complained that teenagers now live in a world in which they are surrounded by perfect people who are wonderful to look at. I wondered why he thought that that was a problem when we all exist in the perfect world of the Palace of Westminster, where people are charming and lovely, as we have particularly found during the last week or so.

Four clear issues emerged from the debate. Let me briefly pause to put them in context. The Government are, quite rightly, committed to an open internet. When I attend international forums, I find that it is very important that the UK, along with our allies, is committed to what we call the multi-stakeholder approach for internet governance. That involves civic society, business and Governments working together to keep the internet open and free. Authoritarian-inclined regimes would like to regulate the internet, restrict freedom of speech and clamp down on innovation. The Government of this country do, however, regard things that are illegal and wrong offline to be illegal and wrong online. Hon. Members have made the point that some people seem to believe that the rules of behaviour and the legal rules that we all live by in the physical world somehow do not apply on the internet. That is absolutely not the case.

The UK has led the way in approaching the issue from a perspective of self-regulation rather than legislation. Self-regulation works because it brings about partnerships and helps us to move forward more quickly. A good example is the creation of the Internet Watch Foundation, which was the first charity to focus on dealing with images of child sexual abuse. It is a model that has been copied around the world, and it became incredibly important in driving forward the recent work with search engines, such as Google, to make searching for and discovering images of child abuse online much, much more difficult. We have worked with the Internet Watch Foundation to ensure that internet service providers had the funding to increase their capacity, and we have worked with technology providers on the use of technology that enables images to be matched and traced, and that makes it easier to catch and trace perpetrators.

Similarly, by working with industry we were able to secure family-friendly filters; the default-on option means that people who log on must actively disable the filters that prevent harmful content from reaching, for example, young people. We have also worked with industry on an important and generously funded campaign, “Internet Matters”. The previous Labour Government set up the UK Council for Child Internet safety, which brings together 200 stakeholders who work on these issues. It has an important effect on driving forward policy. We continue to make progress on matters such as increasing police capability, the creation of the first Minister for Internet Safety and Security—my colleague Baroness Joanna Shields—and, with the Digital Economy Bill, the introduction of legislation to secure age verification for adult content.

As I have said, four clear issues that the Government should take forward emerged from the debate. First, although there was welcome praise for the Essex and Durham constabularies, there was an absolute recognition of the need to skill up the police force. We have the Child Exploitation and Online Protection Centre and different arrangements in the national police service, but for cybercrime in general—it is often financial crime—and this kind of crime in particular, it should be possible to create specialist units with national capability.

The police should also think very hard about the people they recruit. There is no need for them to recruit only for conventional police training—people who can walk the beat or perform the traditional roles of policing—there is every opportunity to recruit people with specialist skills that may not be transferable to the rest of the police service but who could be recruited relatively quickly to do this work.

There was a clear call from the House for legislative clarity, both clarity in defining online abuse and clarity about the myriad different Acts and statutes that come to bear in this area. The new Government under the new Prime Minister will want to make clarifying and consolidating that legislation a priority. That was a clear call from the House that must be taken forward.

The issue of anonymity was raised, with the hon. Member for East Dunbartonshire (John Nicolson) debating whether it should come under our consideration. I would not want to legislate to remove anonymity. Whether to allow anonymous users should be a matter for individual platforms, just as I would not require the Royal Mail to refuse to handle any letter that had been sent anonymously. That kind of interference would be unjustified.

That point leads me on to the role of platforms. It is interesting to consider that in the online world we now suddenly have companies that in many respects are bigger and more influential than many nation states—Facebook has a population of 1.2 billion, and Twitter has a population of 300 million—yet to a certain extent are left to their own devices to create their own rules, society and regulation, without the role of Government or of civic society as a whole being taken into account. Platforms must work with Governments and civic society to create rules. I support my right hon. Friend the Member for Basingstoke in her call for something I have been keen to make progress on, namely a clear code of conduct within the UK that clarifies what constitutes online abuse, and, even more importantly for users, gives clarity on the rapid remedies available to people who are abused in this way. We have heard some really horrific examples, but of course we all know of those examples because we see them day in, day out, either on the news or because we ourselves or our friends are being attacked.

Kit Malthouse: Will the Minister address the specific point raised by a number of Members about whether there should be legislation to place specific duties—in particular, a duty on child protection—on some of the very large companies that he mentioned? There was a general theme in contributions from across the House that we would either like existing legislation to be consolidated in one Bill that we could then look at in the round or we would like measures on this issue to be brought forward in the Digital Economy Bill. Is any of that likely to happen?

Mr Vaizey: I should have said earlier that the views of my hon. Friend need to be taken very seriously. He has very serious experience from his time as deputy mayor for policing in London. I listen to him very seriously.
indeed. How can I put this? I want to get the Digital Economy Bill through the House. It has a specific focus, so I would be cautious about inviting him or any other Member to load additional responsibilities on to it, particularly on issues that need careful thought and planning. But I would certainly welcome discussions with him and would never rule out appropriate regulation to push the responsibility for some of the appalling abuse that we see day in, day out on to social media. It is not enough—this also applies to issues such as intellectual property and the online theft of music and film—to view platforms as passive vehicles. They are extremely wealthy companies that rely on a large number of users to generate the advertising that creates their shareholders’ wealth. There needs to be partnership, and I do not rule out regulation.

Having said that, given a post-Brexit situation in which we are keen to encourage inward investment, I do not want to frighten the horses of companies that provide a great deal of direct and indirect employment in the UK. We need to work with the companies, and we need clear guidelines on, and definitions of, online abuse. Even more importantly, we need very quick reactions, so that all of us as constituency MPs do not have to sit in surgeries with people who are clearly utterly distressed because of online material—their lives are sometimes in absolute pieces—and cannot get any adequate response from the platform hosting it.

This has been an extremely helpful and useful debate, and I look forward to moving seamlessly into the next debate, which I am also responding to.

2.35 pm

Mrs Miller: I thank Members for supporting this debate with such superb contributions. I also thank the Minister, who has sat in his place listening throughout. The debate has demonstrated the strength of feeling that he has seen among Members across the House.

The UK led the way in tackling some of the early challenges online, working with European and US partners to put in place a global approach to outlawing child abuse images. We also passed some of the first legislation in the world to make it a crime to post revenge pornography. But we are now at real risk of falling behind. It is clear from the debate that there is universal condemnation of online abuse, so why have we not seen this Government present laws in Parliament to update our position?

There is cross-party support for specific laws to tackle online abuse and to consider specific duties on the police, schools, social network platforms, search engines and internet providers—duties that will show zero tolerance to online abuse. I must wholeheartedly disagree with my very great friend the Minister on anonymity. We have to lift the veil of anonymity in this country to make sure that people are responsible for what they say. We do it in every other part of our lives, so why not online?

The Minister is fortunate that the Digital Economy Bill has already been introduced to the House; it is a means of making the sort of changes that have been called for by Members of all parties here today. Those changes need to be part of a coherent cross-Government strategy. He should take Members’ concerns back to his Department and call for action now.

Question put and agreed to.

Resolved,

That this House notes the increasing number of cases where the internet, social media and mobile phone technology are used to bully, harass, intimidate and humiliate individuals including children and vulnerable adults; calls on the Government to ensure that clear legislation is in place that recognises the true impact and nature of online abuse, as distinct to offline abuse; and further calls on the Government to put in place appropriate legal and criminal sanctions, police training, guidance to the CPS and education for young people relating to such abuse.
Creative Industries

2.37 pm

Julie Elliott (Sunderland Central) (Lab): I beg to move.

That this House has considered support for the UK’s creative industries and their contribution to the economy.

It is a pleasure to begin this debate. I applied to the Backbench Business Committee with the hon. Members for Warwick and Leamington (Chris White), for Edinburgh West (Michelle Thomson) and for Dundee West (Chris Law) because this House needs to recognise the vital role the creative industries play in our culture and economy. The issue has not been debated in this Chamber for some considerable time, and I thank hon. Members from all parts of the House who supported the application.

I also put on record that I am on the steering committee for Sunderland 2021, our bid to be the 2021 capital of culture. Although the role is unpaid, I feel I should note it, as I will be referring to Sunderland 2021’s work in our bid to become the UK city of culture.

The UK is a world hub for the creative industries. They showcase the best of our country. They are outward looking, innovative and successful. Their achievements can be seen throughout the length and breadth of our country, and I am sure hon. Members from all parts of the House will speak about the wonderful creative elements of the constituencies they represent, just as I will discuss the vast creativity in Sunderland Central.

John Howell (Henley) (Con): The hon. Lady has started in a very positive fashion, which I much appreciate. I used to be the chief executive of a film and video production company that had a rule that 40% of our income must come from overseas. Has she thought about the contribution of the creative industries to this country’s exports?

Julie Elliott: Absolutely. The creative industries are almost a hidden gem because they are so good at creating wealth and turnover, exports and imports, but they are not as glamorous as the manufacturing industries. I entirely accept the hon. Gentleman’s point.

The creative industries comprise many sub-sectors—advertising, architecture, arts, crafts, design, fashion, film, music, performing arts, publishing, television, research and development, software, toys, games, radio and video games, and the list goes on. Part of the reason why the creative industries are hidden is that the range is so vast. I sincerely hope that today the House will pay tribute to the essential role that they all play in helping to drive innovation and growth. We are world leaders in these fields and there are many, many success stories. The BBC, as recent debates in this Chamber and elsewhere have shown, is envied and renowned around the world, creating a staggering £8 billion of economic value for our country. Every £1 spent on the BBC through the licence fee produces £2 worth of value through employment, economic opportunities and expenditure.

The fashion sector is the largest employer among the creative industries, supporting almost 800,000 jobs. In 2014 the direct value of the UK fashion industry to our economy was estimated to be £26 billion. Many of our authors are facing economic uncertainty, but they are among the most talented in the world, providing engaging scripts for TV, film and theatre, producing literary gems and submitting content for interactive products and services. Our authors play a key role in the UK being a nation of readers.

Just this week the Department for Culture, Media and Sport announced that the UK’s creative sector is booming. Jobs in the creative industries have increased three times faster than the UK average in other sectors. It is estimated that those industries generate almost £10 million an hour for the UK economy, totalling an incredible £84 billion a year. The figures are staggering.

In 2015 there were 1.9 million jobs in the creative industries, up 19.5% since 2011, accounting for one in 11 of all jobs in the UK. More than 60% of the jobs in and around the creative sector are skilled to degree level or above. It is therefore extremely concerning that the University of Sunderland in my constituency has reported that there has been a reduction in the number of applications that it has received from students wishing to study arts, culture and creative subjects. Last month Ofqual announced that entries for GCSEs in arts subjects have fallen by 46,000 this year, compared with 2015.

Mrs Maria Miller (Basingstoke) (Con): Before coming to this place, I worked in the creative industries for almost 20 years. As a graduate in economics, may I gently point out that it is not only those who have studied pure arts subjects who can contribute to the creative industries, which form one of the greatest exports this country has?

Julie Elliott: I totally accept that point. The figures that I have quoted on the value of the creative industries to the economy show their importance. We certainly need people with other skills, including economists, to be part of that. However, it is a worrying sign that applications for creative subjects have gone down. I hope the Government will act to promote creative subjects at GCSE, A-level and BTEC, and champion the many universities that offer thriving creative programmes.

I want to focus on the brilliant creativity and culture in Sunderland Central, the constituency that I live in and represent. Sunderland has been a centre for culture and higher learning since the 7th century. Benedict Biscop built St Peter’s church and monastery in 674 AD on the site that is now occupied by Sunderland University’s riverside campus. Among the earliest students at the monastery was the renowned author and scholar, the Venerable Bede. Sunderland’s proud history in glassmaking and glass art dates back to this period, when the first stained glass ever made in England was created for St Peter’s church by craftsmen who had come to Sunderland from France. The National Glass Centre, which has undergone a £2.5 million redesign, is located in my constituency and tells the story of our city’s glass production heritage and attracts more than 200,000 visitors every year. As well as teaching and research in glass and ceramics, the centre continues to manufacture glass.

As I mentioned earlier, in order for the creative industries to continue to thrive, we need to ensure that creative subjects are not side-lined in our schools, and that our universities continue to aid students’ creative development. I am proud that in my home city we have a fantastic institution for higher education at the University...
of Sunderland, which specialises in courses that equip graduates with the skills that the creative sector needs. Over the past 10 years the university has invested in culture and creative education, including the Northern Centre of Photography, the David Puttnam media centre, Spark FM, the Priestman fine art and form studios, and the mediaHUB.

This year construction has begun on a new centre for enterprise and innovation at the university’s city campus. This hub, which will become home to the north-east’s first FabLab, will support businesses in Sunderland and the wider region, allowing companies the space that they need and providing them with access to a higher level of professional and academic expertise. No doubt the new centre will build on the university’s strong track record in support for innovation in my city.

It is fair to say that the creative industries are growing in our country, in large part due to the digital economy. In Sunderland we used to be renowned for our coalmining and shipbuilding industries. Now, Sunderland is leading the way in the north-east, with a thriving software sector comprising 150 firms in the city, with a vision for future expansion. The major success story has been Sunderland Software City, an ambitious partnership between the public and private sectors and the university. Its aim is to support innovation and growth in the north-east software industry. Since it was established in 2009 it has assisted over 300 software businesses and helped 150 start-ups. It has sought to attract investment and skilled workers to our region. Now more than 32,000 people are employed in the north-east’s IT sector, and global tech companies have established permanent bases in Sunderland, providing high-skilled, quality jobs and promising career paths for our young people.

As I said earlier, I am a member of the Sunderland 2021 steering group—a group of stakeholders from culture, education, business, media, health and economic regeneration, working to steer the strategic direction of the bid and help to build a compelling vision for the development of culture in Sunderland over the next decade. Our city’s bid to become the city of culture in 2021 showcases the very best of Sunderland, particularly its creativity. It is a shining light on our vibrant home-grown music scene. Sunderland-based bands, such as Field Music, the Lake Poets, Lilliput, Hyde & Beast, the Futureheads and Frankie and the Heartstrings, have generated almost £1 million-worth of worldwide record sales. The bid also has the support of our famous sons and daughters, such as Dave Stewart, previously of the Eurythmics, and Lauren Laverne.

Sunderland has wonderful venues for musicians in which many talented artists have performed. I pay tribute to the tireless work of those who sustain live music venues in Sunderland, and to the Stadium of Light, usually home to Sunderland football club. In the summer it has been hosting concerts from some of the biggest names in world music since 2009. Last week Beyoncé kicked off the UK leg of her tour at the Stadium of Light. The stadium is built on the site of the last big coal mine in the city.

I pay tribute, too, to the fantastic work of Sunderland Music, Arts and Culture Trust, better known as the MAC Trust, which has been a driving force for the many wonderful things happening in arts and regeneration at the heart of the Sunderland 2021 bid. Since 2012, the trust has sought to implement ambitious plans that are now coming to fruition, with a vision for Sunderland’s future as a vibrant, creative, exciting place where the arts, music and culture flourish. The trust is establishing a cultural quarter in the heart of our city by converting some of Sunderland’s historic buildings into cultural hubs. The trust is also behind the cultural spring project, working with the university and the Customs House Trust to transform the way in which the people of my constituency and the constituencies of my hon. Friends the Members for South Shields (Mrs Lewell-Buck) and for Washington and Sunderland West (Mrs Hodgson) view, experience and make art.

I am immensely proud of the work that is going on in Sunderland and I am delighted that I have had the chance to showcase the wonderful role that creative industries play in our local culture and economy, and the importance of this sector to the national economy. This debate will also give other Members the opportunity to show the immense breadth and diversity in this sector, which all too often is not talked about, in terms of the economic benefit we can get from the industries.

2.51 pm

Chris White (Warwick and Leamington) (Con): I am delighted to follow the hon. Member for Sunderland Central (Julie Elliott) and to have listened to her remarks. I thank the Backbench Business Committee for allowing us to secure this debate, which we have called to highlight the significant contribution the creative industries make to the UK and to stress the importance of its continued support whether through investment, financial measures or general wider awareness.

The hon. Lady mentioned various lists in her speech. Creative industries cover a number of iconic and diverse national treasures including the Tate, Pinewood Studios, the British Library, Adele—my favourite, rather than Beyoncé—and the BBC. It is also important to consider the wider economic benefits. The creative industries contributed £84.1 billion to the UK economy in 2014, equivalent to £9.6 million every hour, with an annual growth rate of nearly 10%.

This debate offers us an opportunity to celebrate our creative industries and consider how best to make sure the sector’s potential is realised. It is clear that the creative industries are flourishing and are playing an ever-increasing role in our economy, with growth outstripping that of the finance and insurance sectors and employment up by 5%, significantly higher than the 2.1% UK average. With this in mind as well as Nesta’s estimation that 35% of all occupations will become automated in the next two decades, a highly skilled and creative workforce, where human ingenuity cannot be replaced by robotics, will become even more important. It is perhaps appropriate at this juncture to congratulate the Minister on being the longest serving arts Minister in our nation’s great history.

Recent figures show that the number of jobs in the creative industries increased by 3.2%, which is about 1.9 million jobs. The increase since 2011 has been nearly 20%. These headline statistics are important, but we must also nurture skills and the flow of talent into the sector. It is therefore vital that we continue to encourage and inspire our young people to become more involved in, and aware of, the sector. In this context, I commend the Government on introducing coding to the curriculum in 2014.
We must continue to allow and help businesses to hire skilled individuals, and to do so from a strong UK base of talent. It follows that, with such a high growth rate for the creative industries, we must not allow a skills gap to develop in this sector. From primary school level through to our colleges and universities, I urge us to nurture creative talent, to allow the UK to become internationally renowned as the place to do business in the creative sphere.

In my constituency, Warwickshire College sets a strong example, offering a wide range of courses in related subject areas to ensure that students are able to develop skills, and this approach should be taken up more widely. The United Nations defines the UK’s creative industries sector as being at the crossroads between the arts, business and technology. We are at the forefront of the sector internationally and I suggest that our global ranking of 1st in terms of soft power is largely due to the rich culture and cultural sector of our country. Joseph Nye, originator of the concept, highlighted three pillars that contribute to a nation’s soft power, one of which is culture. Our creative industries underpin this success.

As co-chair of the all-party group on video games, it would be remiss of me not to mention that sector and its huge contribution to our economy. I am pleased to see my fellow co-chair, the hon. Member for Dundee West (Chris Law), in his place, and I look forward to hearing his remarks.

The industry employs 24,000 people across 12 clusters in the UK, with a significant number of games companies based in my constituency. The UK games industry blends the best of British technology, creating games that are exported around the world. With the global market expected to expand by 8% annually over the next five years, we cannot ignore it.

An important point to put on record is the need for the video games sector to be seen in the context of contributing to our cultural make-up, and I believe it is right that it is put on the same footing as film and television in terms of investment and the way it is perceived for its cultural contribution to our society. Pamphlets and must do more to champion games as a mainstream creative tech industry right across the UK, and funding should equitably recognise the sector as such.

Warwick and Leamington is home to 40 companies providing 1,200 jobs, and has acquired the nickname of "silicon spa", which I am beginning to feel is unfortunate. Video games tax credits have been a major boost for the business both locally and nationally and I encourage the Government, after the good work they have done on tax credits, to make sure the industry is far more aware of the advantage this will give. We need to push for greater awareness of games developers’ access to tax credits. Some 237 games were approved for tax relief in 2015, and that number must surely increase to help other companies working hard in this industry.

We must also continue to invest in the arts, following on from a long tradition of doing so and maintaining world-class museums and galleries. The UK now invests, unfortunately, a smaller percentage of its GDP in arts and culture than the EU average and less than competitors such as France and Germany. This is something we should talk about in the coming months.

The arts foster an environment in which ideas are cultivated, and our tourism trade, which is such a prominent feature of our economy, benefits enormously. London theatres generated nearly £100 million in VAT receipts in 2013, which was a record. Furthermore, spend on Arts Council England represents 0.1% of total public spend in England, yet arts and culture contribute 0.4% of UK gross value added. Public investment yields excellent returns, and I hope that the Minister will indicate the Government's intention to look more closely at increasing such investment. With more investment comes greater diversity and increased opportunities for ideas to become commercial success stories. The exponential growth of creative industries also needs to be recognised in Whitehall, especially by the Department for Business, Innovation and Skills, which fails to note the sector as part of its industrial growth data.

This ties into my contribution to the most recent Queen’s Speech debate, in which I called for the implementation of an industrial strategy. As part of that cohesive and concise document, which I envisage to be a rolling progress report from the Cabinet Office, the Government should outline their promotion and support across the creative and cultural sectors. The Government’s export target of £1 trillion annually by 2020 is very welcome, but we must allow industries with such significant growth potential to flourish. Industry leaders have put forward proposals that could add £31 billion by 2020 to our exports.

Turning briefly to the digital economy, I note the Digital Economy Bill introduced to the House on Tuesday. The drive to rapidly improve our infrastructure will have very positive impacts on our ability to innovate, to create and to improve productivity. Digital technology is embedded in much of what we do, and I support the Government in providing our wealth creators with the ability to produce world-class products. The digital economy strategy produced by Innovate UK seeks to take inspiration from the creative industries, which have been at the forefront of innovation in many aspects of life. Of course, confidence to invest is key, not least in industries that require long-term decision making, so I urge that the creative industries be a major consideration as we enter negotiations with the EU.

In sum, I am pleased that we have the opportunity today to raise the profile of our creative industries. The statistics speak for themselves in the tremendous contribution the sector makes to our economy, and I call on the Government to support and recognise this and to allow the potential of the creative industries to be realised. The UK can, and should, be seen as a creative powerhouse.

Several hon. Members rose—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. If everyone sticks to nine minutes, everyone will get an equal amount of time.

3.1 pm

Fiona Mactaggart (Slough) (Lab): In his autumn statement, the Chancellor said:

“Britain is not just brilliant at science; it is brilliant at culture too. One of the best investments we can make as a nation is in our extraordinary arts, museums, heritage, media and sport.”—[Official Report, 25 November 2015; Vol. 602, c. 1368.]
If we do not also invest in education that prepares children to play roles in those industries, we will slide backwards. Many of the people in this debate participated in the Westminster Hall debate earlier this week about the impact of the EBacc on education, theatre, art, drama, music and other expressive arts. Our concern during that debate was that there is a direct relationship between the introduction of a mandatory EBacc in a limited number of subjects including none of the aforementioned, and the reduction in the number of students taking GCSEs, A-levels and other examinations in those creative subjects.

The Minister for Schools, in arguing that there had been no such decline, relied on figures that were at least a year old to sustain his argument. He said:

“...my assertion is that there will be no significant fall in the arts subjects as a consequence of the EBacc figure of 90%.”—[Official Report, 4 July 2016; Vol. 612, c. 215WH.] I have seen evidence that such a fall is already occurring. If our figures are correct and if there continues to be a decline, I want the Minister for Culture and the Digital Economy to meet his colleagues in the Department for Education and persuade them of what I am certain is the unintended consequence of the EBacc proposal. Ministers say that we need the EBacc to get us to the same level as Iceland, Ontario and many countries which frankly are nowhere near ours when it comes to the performance of their creative industries. Will he agree to meet the Minister for Schools and ask him, if the decline continues, to include at least one of these expressive subjects—students should be able to choose which—within the suite of mandatory GCSE subjects? If we do not do that, we will slide backwards. There is no doubt that our brilliant creative industries depend enormously on children having experience of drama, dance, art, and music in school, and on the creativity that has traditionally been part of UK education.

A number of things that are now part of the creative industries were not invented when I was at school: video games, beatbox, Twitter—those things simply did not exist. Indeed, email did not exist. We must ensure that young people get experience at school of the creativity that is possible, and of the disciplines and craft that lie at the heart of many of our creative industries. Earlier, the right hon. Member for Basingstoke (Mrs Miller) said that it is not necessary to study those subjects professionally to be creative, which is absolutely true. However, it is necessary to have experience of them, and I am concerned about the number of children—specifically those in the least privileged communities—who are losing contact with those experiences.

There are wonderful opportunities. Earlier this week I was at the National Theatre watching the Connections youth drama festival. It showed outstanding work done by young people in theatre groups around Britain. However, many young people have never had the opportunity to participate in a live performance of music or theatre, and many have not experienced or learned from someone who is employed in a creative industry.

When the Minister responds to the debate, will he commit to discussing with the Department for Education whether my prediction about what is happening to expressive arts subjects in our schools is correct? Will he speak directly to Ministers about ways to end that decline, and will he ensure an opportunity in our schools for children to experience live theatre, and for every child to visit a museum and hear directly from someone who is employed in a creative industry and who makes their living through creating things?

As a previous primary school teacher, I know that children are creative. Play is children creating things, but often that creativity is driven out by the way we teach them. Instead of driving out their creativity, we must give children the skills that allow their innate creativity to be developed. That means not just investing in education, but for the Minister to expect all arts organisations to take their responsibility to young people seriously. I am not saying that arts organisations do not do that—I have just cited an example of one of our premier arts institutions that does exactly that. A few days ago I went to the Barbican, and children were part of the performance of Sir Peter Maxwell Davies’s last opera. There are lots of good things to be proud of, but every child should have an opportunity to engage with some of our great creative institutions and learn from them, so that in future our creative industries can make the most of that talent.

I refer the Minister to Dickens’s “Hard Times”. Sissy Jupe, who knew everything there was to know about horses because she worked in a circus and her dad ran it, was unable in a single sentence to define a horse because it was such an exciting animal, whereas Bitzer, pupil No. 6, came up with the right answer: “Quadruped. Graminivorus,” he said. That is what we are heading for in our system. We reward the Bitzers of this world and do not nurture Sissy Jupe’s understanding. I know the Minister would like to do that. He could interact with the Department for Education to change its Gradgrind approach and ensure that every child in Britain has a chance to learn how best to use their creativity.

3.10 pm
Nigel Adams (Selby and Ainsty) (Con): I thank the Backbench Business Committee for the debate and the hon. Member for Sunderland Central (Julie Elliott) for pushing for it. It is crucial to have time in the House to discuss the creative industries and their contribution to the economy. It is a broad topic, and rightly so given the immense variety of roles within the creative industries. As chairman of the all-party parliamentary group on music, I will focus my brief remarks on that sector. I fear I might be spoiling the Minister, who has had to listen to me talk about this subject twice in two days. I am sure he can cope; he has held the brief for a long time.

I should like to highlight statistics from the recently released reports from UK Music, the representative body that does such a great job in supporting parliamentarians and in other work within the industry. The reports demonstrate how vibrant and productive the music scene is in the UK today. The “Measuring Music 2015” report showed that the music industry contributed £4.1 billion to the UK economy in 2014, and that it involves 117,000 full-time jobs. A huge number of those jobs are creative: musicians, composers, songwriters and lyricists alone accounted for £1.9 billion.

Not only is music vital to our economy in the UK; it is also our face to the outside world. The report found that music exports accounted for £2.1 billion in annual revenue, which is more than half the industry’s gross
value added, as compared with about 30% in the economy as a whole. One in seven of all global album sales were for British artists, and five of the top 10 selling albums in 2014 were by British artists—that is before artists including Adele delivered another blockbuster year in 2015.

The “Wish You Were Here 2015” report reinforced that message. Direct and indirect spend from music tourism in 2014 was some £3.7 billion. Many right hon. and hon. Members will enjoy festivals around the country this summer—I have already seen the Secretary of State at a festival. I am disappointed he is not here, but he may very well be at a festival somewhere in the UK, and I am sure the Minister will do a fantastic job in replying. That £3.7 billion is a 7% increase on the previous year. Some 38% of our live music audience were music tourists who came here seeking out their favourite British artists. They spend an average of £852 in the UK, all of which sustains more than 39,000 full-time jobs in Britain.

UK Music is undertaking a census of the live music scene in key UK cities, which has never been done before, so that policy makers, planners, local authorities and others for the first time have access to the data they need to assess the impact of decisions on the music industry in their areas. The first report is the Bristol census—I note that the hon. Member for Bristol East (Kerry McCarthy) is in her place—which showed that, in that city alone, live music generated £123 million of revenue in 2014. I look forward to more reporting so that we have the knowledge rather than just the desire to do right by our music scene and those who work in it.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): The Scottish Affairs Committee’s report on the creative industries in Scotland, published in February, recommends that the UK Government work with representatives of the creative industries in Scotland to assess how creative tax reliefs could be adapted so as to be of greater benefit to Scotland. That could include variable rates of tax relief for different parts of the UK, creating a tax relief for the music industry and piloting a tax relief for small and medium-sized enterprises working in the creative sector. Will the hon. Gentleman join me in calling on the UK Government to disclose what measures have been taken in this area so far?

Nigel Adams: That is a reasonable thing to ask. Unfortunately, the Minister is not in his place, but I shall remind him. Perhaps the hon. Lady could intervene on him later. It is absolutely right we do whatever we can, right across the UK, to ensure creative industries are given all the tools necessary to continue to grow this part of our economy.

When we speak of the contribution to the economy, we must remember that the economy is not just some vague term. The economy means people’s jobs and their ability to make a living. Yesterday, I held a Westminster Hall debate on the subject of remuneration for artists for online play and streaming. It is important to state that this is not just an issue for the big well-known names. This is an issue for songwriters, producers and others who put work into a song. They rely on the revenue that comes from plays far more than someone who has a profile. I was pleased that colleagues from my own party, the Labour party, the Scottish National party and the Democratic Unionist party all came to take part in a productive discussion about what remains a relatively new policy area, over which we will soon have significantly more power as the UK exits the EU.

Recently, I spoke with one songwriter who had seen the princely sum of less than £6 in revenue from some 3.2 million plays of his song on YouTube. It is therefore not hard to imagine the despair of someone who sees their life’s work available for free on the internet, with little or no prospect of financial reward.

At this point, I want to commend BBC radio, which has done so much not only to give new artists exposure but to ensure they are paid for airplay. The BBC takes risks on new artists, providing exposure for the music of new and emerging artists before release, helping them to drive record sales and build their profile. The BBC also plays a vital role in the development and promotion of UK music both culturally and economically. What it does for unsigned acts, with its “Introducing” initiative, is amazingly successful. It is not just Radio 1; Radio 2 hosts an unrivalled range of specialist programming, helping audiences to discover new music and helping to break new British artists in specialist genres. A bit more of this spirit of nurturing creative talent across the industry as a priority would be welcome.

The British Phonographic Industry reports that in 2015 there was more revenue raised from the 2.1 million vinyl LP sales by British artists than the 27 billion music video streams on YouTube and similar platforms. This discussion is not about shutting down technologies; it is about striking the right balance. To me, it is clear we have not yet done so. As the well-known manager, Brian Message, said:

“The advent of the digital era introduced an opportunity for those involved in the music business to pull together for the economic benefit of all stakeholders. To our collective detriment, this did not come to pass.”

I would welcome all contributions from colleagues to ongoing discussions in the all-party group on where the right balance will lie and to pick up more of the themes we discussed yesterday morning in Westminster Hall. We need additional support, in particular from local authorities, to ensure we have the infrastructure to produce great music here in the UK. There is an issue around business rates being levied on festivals, sometimes retrospectively. That could have a huge detrimental impact on the festival industry right across the country.

The studios that can accommodate the orchestras needed to record film soundtracks are very rare. I believe we have only two here in London. I am sure the Minister will correct me if that is not accurate. That is minimum capacity; such must often be booked on short notice. If we lose that capability, that kind of recording will be taken elsewhere, and the work will not be available for British musicians.

Finally, we must remember that to make successful financially viable careers and to be ambassadors for Britain and bring fans here as our tourists, our artists need the ability to be successful abroad, particularly in the States. To be globally successful, they really need to break the American market, but the current visa system for UK musicians wishing to perform there is complex to the point of being unworkable. It costs hundreds of thousands or thousands of pounds and requires expensive
overnight visits for interviews with officials. The equivalent system for foreign musicians to come here and perform in the UK entails only a small fraction of the cost.

I know Ministers have heard from me before on this subject, but I reiterate the point that support does not always mean Government spending. In this area, musicians could really use the support of colleagues right across the House, but particularly of those on the Government Front Bench in the Foreign Office as well as in the Department for Culture, Media and Sport, to try to simplify this process. A small but vitally few helpful steps in the first instance would involve convincing the US immigration service to establish a dedicated liaison team for the music industry which could provide relevant advice and answers for artists, provide timed appointments for visas so that artists could avoid expensive overnight stays in London or Belfast, and clarify the position on ESTA waivers and communicate it clearly to all border forces to avoid inconsistent application.

Our creative industries are making huge contributions. I am pleased with the work our all-party group has done on identifying where support is most needed thus far. I would now warmly welcome the engagement of all colleagues and Ministers to help put that into practice so that our music industry can continue to inspire the creativity of our young people, the interest of our music fans and the imagination of the world.

3.21 pm

Chris Law (Dundee West) (SNP): Frankly, in any discussion of the creative industries, it is essential to begin by reminding ourselves of the deep complexity and real significance of the activities that this topic covers. Yes, the creative industries include large enterprises in areas such as film-making, computer games, fashion and publishing, and they have many thousands of employees and trade globally. And yes, the creative industries involve countless numbers of individuals and groups who are active in fields such as art, music, dance, poetry and many other things. In addition, however, there are those who support the creative industries through their contribution as teachers, curators of galleries, event organisers and other support roles. All of that adds up to the colourful, diverse and beautiful tapestry that makes our lives so enriched. I am sure that everyone in the House is wholly thankful for the wonderful contribution that those people make to our lives.

It has been estimated that the creative industries employ 1.9 million people in the UK as a whole, and 174,000 of those are in Scotland. Believe it or not, the creative industries are worth more than £9 million pounds a year to the UK economy and this is the fastest growing sector in the UK. Yet it is not sufficient for us as legislators and policy makers to view the creative industries purely in economic terms. The key message is that the health and vitality of the creative industries should be an issue that is of crucial significance to this House.

Where better, of course, to reflect upon this than in my own constituency of Dundee—quelle surprise!—which has a long and distinguished history in leading the creative industries. Within the University of Dundee, for example, Duncan of Jordanstone College of Art and Design, first established in the 19th century, is now one of the leading art schools in the UK. This creative hub is now the centre of a thriving network of studios, artists, designers and architects and has been instrumental in supporting the development of the Dundee Contemporary Arts centre, which opened at the end of the last millennium.

As part of the current £1 billion regeneration of our waterfront, Dundee was chosen, out of all other cities in the UK, to build the new Victoria and Albert design museum, which will be completed in two years’ time. I would welcome all Members visiting us. The Dundee repertory theatre is home to both Scotland’s only full-time company of actors and the Scottish dance theatre. Dundee is also well known as the home of many iconic and best-selling children’s comics, such as The Beano, The Dandy, the Judy and the Jackie, which is now a west end musical. I recommend all Members to see it at their earliest opportunity. If they visit Dundee today, they will find an iconic trail of 55 sculptures of one of our famous comic characters—Oor Wullie. After all, he is Oor Wullie, Your Wullie and A’body’s Wullie!

In 2014, Dundee was the first UK city to win the UNESCO City of Design award.

Patrick Grady (Glasgow North) (SNP): My hon. Friend has name-checked a number of important characters and creations emanating from Dundee, including Oor Wullie, but I think he forgot to mention The Broons.

Chris Law: I must apologise to the House. My hon. Friend is absolutely right. Ma and Pa Broon would be disgusted with me for forgetting to mention them. “The Broons Annual” is a fantastic Christmas present.

Believe it or not, in addition to all that, there is more. With the assistance of investment and facilities at Abertay University, Dundee’s creative tradition has found a new outlet. The city is now an internationally renowned centre for video game development, and the birthplace of some of the biggest names in game history. Abertay offered the first computer games degree in the world, in 1997. That bold move was subsequently copied by higher education institutions around the world, and helped to cement Dundee’s reputation as a centre of excellence for video games.

Let me give a few examples. In the 1990s, the Dundee company DMA Design created the game “Lemmings”, which sold over 50 million copies on multiple formats. It also developed “Grand Theft Auto”, which today is the biggest selling game in the world. I urge you to get your hands on a copy as soon as possible, Mr Deputy Speaker. Most recently, Chris Van Der Kuyl’s 4J Studios developed the global gaming sensation “Minecraft”. There are now more than 100 video games companies based in Dundee, and I am pleased to say that the number is growing rapidly.

As we heard earlier from the hon. Member for Warwick and Leamington (Chris White)—he and I co-chair the all-party parliamentary group on video games—the video games industry is vital to the UK economy. As a whole, games companies generate high-quality, high-productivity jobs. The UK boasts the highest number of mobile games jobs in the EU, with 5,000 full-time employees, and 64% of all registered games companies in the UK have been incorporated in the last five years alone.

These are just some of the examples of industries and businesses that give Dundee its creative pulse, and are reflected in many other areas of Scotland and the rest
of the UK. So how do we support these activities that are so important both to our individual wellbeing and to economic prosperity? Artists, designers, musicians and games programmers are not merely creative individuals; they also need to be entrepreneurs. Like other small businesses and start-ups, they need advice, information, and access to funding and financial support.

In Scotland, we have a more culturally ambitious Government than ever before. Set up by the Scottish Government, Creative Scotland promotes enjoyment of the arts, and helps to identify and develop talent. It also chairs Scotland's Creative Industries Partnership, in which public agencies work together to share intelligence and research on the creative industries, co-ordinate opportunities, and clarify and signpost agency support. However, only some aspects of creative industries are devolved to Scotland.

In January this year, the Scottish Affairs Committee, on which I have the privilege to serve along with two of my colleagues who are present—very fine colleagues indeed—published a report on the creative industries in Scotland. It identified three key issues: tax incentives, broadcasting, and links with the EU.

A number of tax reliefs are available to the creative industries. There are film, animation, television, video games and theatre reliefs. They allow qualifying companies to claim a deduction when calculating their taxable profits, and they are very valuable to the creative industries as a whole. However, we found that they had been of limited use to the creative industries in Scotland, partly owing to the smaller scale of most creative enterprises in Scotland and partly because tax reliefs do not incentivise the locating of production outside existing industry hubs, which are predominantly London-based.

Our report made a number of specific recommendations for enhancing the responsiveness of tax relief regulations to the specific needs of the creative industries in Scotland. I urge the Minister, and his colleagues in the Treasury, to treat this as a matter of the utmost priority, and to consider the possibility that the most effective means of resolving these issues would be to devolve responsibility for tax reliefs for creative industries to the Scottish Government.

Public service broadcasting, in the form of the activities of the BBC, represents a crucial driver of the creative industries in Scotland, as well as representing a central pillar of our cultural life. There is widespread dissatisfaction with the output of BBC Scotland. There is also a striking economic imbalance, with licence-fee income of over £320 million generated in Scotland, but a BBC Scotland budget of less than £200 million.

The BBC has been slow to respond to these issues and has been less than transparent in its decision-making process around them. Within the past few days, a report from the inquiry “A Future for Public Service Television”, chaired by Lord David Puttnam, has been published. It recommends that the only effective solution to the growing mismatch between the needs and aspirations of the Scottish people in respect of public service broadcasting and their increasing frustration with the BBC is to devolve an appropriate proportion of the overall BBC budget to Scotland, and allow BBC Scotland to commission programmes and design schedules as it sees fit. While acknowledging the independence of the BBC from Government, I urge the Minister to express clear and unequivocal support for this proposal, which has the potential to allow Scotland to develop as a hub for high-quality television and film output and contribute to an expansion of employment in this field. I share Lord Puttnam’s view that little in the BBC reflects “the current constitutional settlement with Scotland.”

The recent Scottish Affairs Committee report devoted little attention to the EU dimension of creative industries because, other than in areas of intellectual property, the individuals and organisations that we consulted were largely satisfied with the opportunities and benefits to the creative industries that flowed from EU membership. However, all this has changed due to the fear and uncertainty created by this Government in their misguided EU referendum. This is a troubling situation. Many aspects of the creative industries in Scotland are embedded in our broader cultural European tradition, which requires ongoing collaboration with colleagues in other countries. At the very least, this situation requires that the creative industries should have full and active representation in future negotiations with the EU, and that the particular needs of the creative industries in Scotland should be specifically championed through the presence of members of the Scottish Government.

Having talked briefly about the issues and challenges facing the creative industries in Scotland, I would like to sum up by making one final point. Scotland is undoubtedly an outward-looking, internationalist and progressive society—a “mongrel nation” where all Jock Tamson’s bairns reside—yet it is also distinctive and different, and demands to be heard. However, cultural life, and the funding decisions that go with it, are still dominated by London, stifling Scotland’s creative industries as a result. This is not a zero-sum game, however. Successful broadcasting, film-making, computer games and festivals in Scotland reach out to an international market, and do not diminish the significance of London and Manchester as global centres of creative endeavour. In this, we can all be winners.

3.32 pm

Sir David Amess (Southend West) (Con): I congratulate the hon. Member for Sunderland Central (Julie Elliott) on initiating this debate. My goodness, she has chosen an excellent time to do so, because creative industries throughout the United Kingdom are doing extremely well. Only three weeks ago, I was in Scotland, ostensibly going to Edinburgh and Balmoral, but because my sat-nav went wrong I practically toured the whole of Scotland, and it looked pretty good to me. I have a daughter who performed at the Edinburgh festival, so I am bit biased. It is wonderful. The creative industries in London are also doing extremely well.

Before going on to the main part of my speech about Southend-on-Sea being the alternative city of culture, I want to remind the House that the United Kingdom is a global leader in creative industries, which promote everything that is great about this country and generate £8.8 million an hour—absolutely amazing. The United Kingdom’s success in this field is ranked at No. 2 in the 2016 Soft Power rankings and third in the 2015 Anholt-GfK Roper nation brands index, which records the value of the positive perceptions that consumers worldwide have of individual countries. May I say how good it is to see a star of MP4, the hon. Member for Perth and North
Southend, of course, is no exception to the United Kingdom’s success in the creative industries. The upcoming Southend alternative city of culture next year will exemplify the United Kingdom’s strengths in media, music, and arts. It can already be seen that Southend has a consistent record of exhibiting new, forward-thinking arts and cultural projects. NetPark in Southend is the first digital art park in the world. I am delighted that my right hon. Friend the Secretary of State for Culture, Media and Sport visited the park at the beginning of the year. It was developed by a wonderful arts organisation called Metal and transformed empty or derelict spaces into vibrant cultural community hubs. It is a new visitor attraction for Southend and presented a collection of specially commissioned digital artworks and stories at Chalkwell park. All the works are experienced through a smart device, such as an iPad, an iPhone or an Android device. The inaugural collection has five artworks created by artists following an open-call selection process and five site-specific stories created by Southend school pupils working with writers and illustrators. In addition, the project includes an on-site digital education centre, the Metal Art School, equipped with both hardware and software, enabling ongoing R and D by artists and a range of digital creative learning in the curriculum.

Other projects by Metal in Southend include the Thames estuary biennial festival, the aim of which is to celebrate the outstanding cultural contribution of the 40-mile stretch of the iconic Thames estuary. Aren’t we Members lucky to be here in this wonderful place, enjoying all that the beautiful River Thames can offer? Working with partners on both the north and south banks, the festival will occur biennially, with the first event due to take place in September this year. It will promote the planned new museum of the Thames estuary on the banks of the estuary in Southend, where—similar to Leicester—we found a Saxon buried beneath one of our parks.

Southend’s contribution to the creative industries shows why the UK is an innovation-driven economy. We are renowned for breaking convention and being bold and daring in our creative industries. Yet we always do it with professionalism, style and swagger, and there are plenty of talented groups in Southend that display those qualities. The Southend Festival Chorus, the Eastwood Chorale, the Leigh Orpheus Male Voice Choir, of which I am a patron and which is the biggest male voice choir in the country, the South Essex Youth Symphony Orchestra, the Purple Goat Theatre group and the team behind the Southend Book and Arts fair provide just a snapshot of Southend’s flourishing creative industries. The launch of the alternative city of culture happens in Southend this Sunday and somewhere in the House of Commons next week. What a good thing it is to be able to have such wonderful events in the Jubilee Room, showing off the creative talents of all parts of the United Kingdom.

Hull will be the city of culture next year and has arranged four main events in line with the seasons. Southend will have one specific theme each month that will be interesting to see how both parts of the country run their events. The monthly themes include music, the arts, fashion, media, culture, food, architecture, and military events. Creative groups will play their part in how the wider world perceives the UK as a thriving cultural nation.

We have touched on the referendum a little bit—Scotland was not too happy with it—but I want us to be positive about the outcome. I hope that the House can be united in the belief that creative industries should not be daunted by the result. The UK’s creative industries are still open for business, and there are many financial incentives to investing in the UK’s creative sector, including tax reliefs that allow film productions to access a rebate of up to 25% of qualifying expenditure. Southend has high-end locations for films, such as the British gangster film “Essex Boys” and the James Bond film “Goldfinger”, which featured the airport. Southend has also been used for popular music videos by artists including Oasis, Morrissey and George Michael. Long may Southend continue to be a location where great films, dramas and soap operas are shot—I would be happy to appear in any of them.

Even in the post-Brexit world in which we now find ourselves, creative industries will continue to thrive and take advantage of new opportunities to do business across the world. Those who are uncertain about the regulation of creative industries following our decision to leave the European Union should be reassured—the excellent Minister will do his best to reassure the House—by the potential for the UK’s creative industries, especially those in Southend, to lead post-Brexit economic growth. I welcome the Secretary of State for Culture, Media and Sport’s comment that the success of the UK’s creative industries “is built upon the extraordinary talent which exists in this country, an amazing cultural heritage, the English language”—Scottish, Welsh and Northern Irish—“and a tax system designed to support and encourage growth in the creative sector.”

Given that this country is gifted with being creative and has a rich cultural heritage, we can have confidence that there can and will be a bright future for the UK’s creative industries. The Southend alternative city of culture 2017 should be a benchmark for showing why it is so important for this Government and any Government to invest and provide the necessary incentives for creative industries to thrive and prosper.

3.40 pm

Kerry McCarthy (Bristol East) (Lab): I congratulate my hon. Friend the Member for Sunderland Central (Julie Elliott) on leading this debate. She has, however, made me feel guilty, as she made such an excellent case for Sunderland’s bid to be capital of culture 2021. Bristol also wants that title—I will have to put in for an Adjournment debate at some point.

Today, I want to focus on the impact leaving the EU could have on our creative industries and on what the Minister will do to deliver on his promise to give the arts a “voice in Brexit Britain”. A Creative Industries Federation survey found that a staggering 96% of its members voted to stay in the EU, with 84% saying that EU membership was important to the future of their organisation. Before the vote, the prospect of leaving the EU was variously described as a “nightmare”, “artistic isolation” and a “huge creative step backwards” by arts leaders. A joint letter from 250 actors, artists, musicians
and writers praising EU funding and collaboration in the run-up to the referendum was dismissed by the Brexit camp as the concerns of “luvvies”. I know that if the Minister was in my place—he will return—he would not dismiss the luvvies so lightly. I am sure he would agree that it is vital that issues such as access to markets, freedom of movement, intellectual property protection and EU funding for the creative sector are considered during the Brexit negotiations.

Before I go into detail, I want to namecheck Laura Snapes for an excellent article on Pitchfork.com, which has been the source for quite a bit of my material and quotes. On access to EU markets, the value of services exported by the UK creative industries in 2014 was nearly £20 billion, an increase of nearly 11% from the previous year. The EU is, at 56%, our largest export market for that sector. Currently, we can trade tariff-free and barrier-free across 28 countries; we have unrestricted access to 560 million potential customers. Before we entered the Common Market, there were tariffs: some form of import duty for us and export duty if we wanted to send products over to Europe. Let me give just one example. There has been a bit of a vinyl revival recently, and the majority of the vinyl we buy is made in plants in mainland Europe. The cost could now escalate, both at the point of manufacture and sale. Small and independent businesses have real concerns about this, because small margins make a huge difference to their survival.

I know people on the leave side have argued that leaving the EU would be a spur to developing better cultural and economic links with Commonwealth nations and emerging economies. But as Michael McClatchey, co-founder of Moshi Moshi Records, says:

“As a nation, switching our focus from trading with Europe to trading with Brazil, China, and India doesn’t really work for the music industry because we’re making very small inroads here, and I’m skeptical about how much we can enter these markets when they have such a different pop market and a strong historic music identity of their own”.

Copyright and intellectual property issues are incredibly important to the sector. There have been at least three European directives protecting the IP rights of artists and ensuring they receive remuneration for their work. Indeed, we discussed some of this in yesterday’s Westminster Hall debate. The EU’s copyright regime has been crucial in ensuring we have a creative industry at all. With the well-known fervour of Brexiters for any opportunity to slash so-called red-tape, there are real worries that the life of artists will get worse without the copyright protections the EU provides.

I know that many in the industry have felt the EU is much more willing and able than the UK to take on the big technology companies, which have much less respect for copyright. Gregor Pryor, co-chair of Entertainment and Media Industry Group, says:

“I think some countries in Europe are perceived by rights holders as being more benevolent towards them. France is the best example because France holds intellectual property in such high regard, and from a legal perspective, tends to give broader protections the EU provides.

Free movement is a massive concern. There is no doubt that free movement across mainland Europe has made touring easier and less expensive for British artists and musicians. Access to locations and mobility have also benefited our thriving film and TV industries. Musicians are really worried that Brexit could mean individual visas to enter each EU country, and the reintroduction of the carnet, a document detailing every single piece of equipment on deck to prevent the import or exports of products without paying VAT. We know that that would create a real barrier for musicians and other artists. The hon. Member for Selby and Ainsty (Nigel Adams) mentioned the horrible difficulties that musicians encounter when they are touring the US—he has met a good friend of mine to discuss that matter. Some have to cancel gigs and even whole tours because visas are not processed in time, resulting in considerable financial losses.

Colin Roberts of Big Life Management says:

“Getting visas is an absolute minefield and it costs a lot of money, and it’s the reason that a lot of people don’t get to tour America...A large part of the PRS fund goes towards helping bands get to America. Are we going to be at a point where they’ll have to start a fund to get people into Europe? That is a good question. If it starts getting more difficult to export things that the UK is good at, what additional investment will be needed to help showcase British bands abroad in future? Roberts goes on to say that “not only would our acts struggle—and it’s the small acts that would really struggle—but we would miss out on a hell of a lot of interesting artists that potentially wouldn’t be able to come to the UK either.”

Fabien Miclet is the co-ordinator of Liveurope, which is EU-funded and provides a music platform for new European talent, getting them support slots at bigger shows. He says:

“The UK is the beating heart of the European music scene—you can’t work on a European music project without the UK...Very often playing the UK is the step that allows small or young bands to get big.”

Will the UK still be part of programmes such as Liveurope if we leave the EU? Paul Reed, from the Association of Independent Festivals, warns that we could also see a reduction in music tourism, which in 2014 generated more than £3 billion for the UK economy.

Cross-border creative collaboration and the movement of talent across the EU are critical to the UK’s role as a creative hub. Many performers who are resident in the UK but nationals of other European countries are deeply concerned about their future here. Areas with especially high proportions of EU and international workers include dance—ballet and contemporary—opera, circus and the audio and music industry, which includes video games. Brexit could cause real problems for Sadler’s Wells and for our orchestras. I know that we debated that yesterday, but I reaffirm the need for real reassurance from the Government for EU nationals currently living and working in the creative sector that they should be allowed to remain here in the UK. Obviously, that works both ways, with many UK nationals working in the creative industries and arts in other EU countries. Will Brexit mean that they have to come home?

There is also considerable uncertainty in the sector about how the UK will compensate for loss of access to EU funding. I could go into quite a lot of detail on that, but I will give just one example. The Creative
European rhetoric has supported 228 UK cultural and creative organisations and audio-visual companies and the cinema distribution of 84 UK films in other European countries with grants totalling €40 million. If the UK leaves the EU, does the Minister share the concern of many that, in all likelihood, this funding will no longer be available to the UK? Finally, many of us have been really upset about what the vote on 23 June says about Britain to the rest of Europe and the world. I hope that we can find a way through the next few years that shows that we have not pulled up the drawbridge. Let me again quote Fabien Miclet from Liveurope. He says:

“We try to encourage a positive feeling about Europe. Music, culture, traveling, discovering: that's what makes us Europeans. People don’t really get enthusiastic about the common agricultural policy or the directive on car tyres. What people, especially the younger generations, need today is to share something simple and positive together. Live music can do this.”

Will the Minister say today which civil servant from the Department for Culture, Media and Sport will be appointed to the new EU unit co-ordinated by the Cabinet Office, when will he or she join negotiations and on which issues will they lead? Will he tell us what organisational arrangements DCMS is putting in place for Brexit negotiations and how many officials in the Department are working on preparations? What seems like a complete lack of post-Brexit contingency planning or, indeed, vision is causing considerable uncertainty, and I hope that the Minister today will give some much-needed reassurance.

I also hope that over the long term we will consider what role arts and culture can play in those parts of the UK, particularly highlighted by the referendum result, that do not feel listened to, do not feel part of the UK success story and are not benefiting from the growth of these high-skill sectors. Arts, culture and creativity can play a huge role in regeneration and are important to identity—just look at a cities such as Manchester, Liverpool or Bristol. This is about identity not just as a place, but as a person: feeling part of things, feeling proud of something and people feeling good about themselves as a result. So I hope that we can negotiate the Brexit minefield and emerge with an even more positive story to tell.

3.50 pm

Patrick Grady (Glasgow North) (SNP): I congratulate the Members who secured the debate, particularly my hon. Friends the Members for Dundee West (Chris Law) and for Edinburgh West (Michelle Thomson). As other Members have said, it has come at quite a timely moment, given the other debates that have taken place in Westminster Hall this week and the fact that a number of the industry bodies have been holding their annual receptions on the Terrace, in the function rooms or elsewhere.

On Monday, the Creative Industries Council held a reception in the Members’ Dining Room. Last night, my hon. Friend the Member for Dundee West and several other Members here today were in the National Liberal Club for the UK interactive entertainment reception—the National Liberal Club perhaps being slightly less interactive surroundings than the video games that were on display. Of course, as other Members have said, the festival season is well under way across the country.

I have a large number of personal and constituency interests that I will probably cover in my speech. I want to look at the vast scope of what we mean by the creative industries. I want to look particularly at how they play out in my constituency and the wider city of Glasgow and look at some of the policy challenges and opportunities, which have been covered in quite a bit of detail. By definition, creative industries are forever changing and renewing themselves and adapting and evolving. It is important to consider the impact of the traditional areas—music, art, writing and dance and so on—but as a number of Members have said, online and digital forums are growing in importance for accessing creativity and as a source of creativity.

My hon. Friend the Member for Dundee West has spoken about the huge importance of the computer gaming industry. The number of games companies operating in Scotland has increased by 600% in the past five years. Yesterday, at the UK reception, I was fascinated to learn more about the increasing importance of what some people call e-sports, which were just called computer games in my day. Essentially, the industry covers professional or competitive computer gaming.

In July, the Scottish exhibition and conference centre in Glasgow will welcome the Resonate festival, when thousands of people from across Scotland and, indeed, Europe and probably the world will come together to watch other people—leaders in their fields and really talented people who have invested an awful lot of time in this—demonstrating their skills in a whole range of different e-sports or interactive computer games. My hon. Friend mentioned “Lemmings”. Of course, we do not need to pay money to watch other people play the computer game, “Lemmings”, when we can watch a live action version taking place in front of us over there on the Labour Benches, but I recognise that this is supposed to be a consensual debate, so I will not go too far down that line.

E-sports are attracting more than 256 million unique viewers a year. By 2018, that figures is expected to overtake the number of people who watch the US national football league, which is the largest watched sport or entertainment in the world.

If I can be creative with the definition of creative industries, I want to make a pitch for Scotland’s No. 1 craft product—the water of life, uisce beatha—because the new and experimental distillers that we see coming on line, especially those who are producing gin, are involved in a unique and creative process. Glasgow has its own distiller company, and Makar gin is named after the Scots word for a creator or poet, so I thought that that was worth noting as well.

Glasgow is, as I mentioned in my maiden speech, the home and the focus of so many of these industries. Now, there is nothing in Glasgow quite on the scale of the Edinburgh international festival, but it has benefited over the years from a range of different designations. In that respect, I wish all the cities bidding for the title of city of culture the very best, because when Glasgow became the European capital of culture in 1990, it began something of a cultural renaissance, the benefits of which are still being felt today. The roots of that can be traced to the empire exhibition in 1938 and the garden festival in 1988, but we also went on to be the city of architecture and design in 1999, and we were designated as a UNESCO city of music in 2008—one of only nine in the world.
The city is a real musical melting pot. It has produced countless artists. We should not read out lists in the House, and that is just as well, because I could use up the rest of my time simply reeling off the names of the bands that have formed in Glasgow or emerged directly from the Glasgow music scene. It has also provided the stage, as has been said, that has allowed bands to break out into the Scottish, the UK and the wider European scenes.

King Tut’s Wah Wah Hut is in the constituency of my hon. Friend the Member for Glasgow Central (Alison Thewliss), who also has the Hydro—

Alison Thewliss (Glasgow Central) (SNP): And the Barrowland.

Patrick Grady: My hon. Friend could perhaps intervene and list some of the venues in her constituency. However, the Canadian band the Barenaked Ladies, for example, had their break in King Tut’s, and I saw my brother-in-law’s band, Tallahassee Falls, there just a few weeks ago.

In Glasgow North, we have the likes of Cottiers, the Oran Mor and the Kelvingrove bandstand—my hon. Friend the Member for Glasgow Central has most of the Kelvingrove Park, but I have the bandstand, and I am looking forward to seeing Tom Jones there in a few weeks’ time. Cottiers has just finished its excellent dance and chamber projects, and I was delighted to get a little light relief by going to one of the performances there just before the EU referendum.

Glasgow is also home to the annual Celtic Connections festival, which has global brand recognition now. It is a real contributor to some of the statistics mentioned earlier in UK Music’s “Wish You Were Here” report. Some 1.4 million people attended music events in Glasgow in 2015, with 450,000 tourists generating £105 million and sustaining more than 1,000 jobs in the city.

Paul Farrelly (Newcastle-under-Lyme) (Lab): Next Monday and Tuesday, the Culture, Media and Sport Committee is visiting Glasgow to take evidence for our forthcoming culture inquiry, which will include the creative industries. Clearly, copyright is very important in this day and age to sustain creativity—UK Music backs the music industry, and on the literary side there is the Authors Licensing and Collecting Society. I do not know whether the hon. Gentleman is going to talk about a rival to the Edinburgh festival, but does he agree that it is really important in terms of sustaining creativity and the roots of our creative industries, that the many people who do not have great commercial backing have protection from unfair contract terms, so that they can benefit from the fruits of their work? Does he see a role for the Government in improving that situation?

Patrick Grady: Those are very fair points, and the hon. Member for Bristol East (Kerry McCarthy) made similar points about the importance of European regulation. In terms of online and digital expansion—I am aware there was a debate about some of this in Westminster Hall—these are all issues that are being challenged. The hon. Gentleman’s Committee is welcome to visit Glasgow, and if it would like such some suggestions of where they can sample the cultural scene or indeed some of the craft products I mentioned earlier, we would be happy to provide some.

There are also things that we as individual parliamentarians can do. In my office, I make space on the wall for a rotating display of works by local artists. In the past year, I have had Chris Stephens—not the one who represents Glasgow South West, but a street artist and designer from Nautilus Inkworks; Michelle Campbell, who does geometric renderings; Andy Petherer, who does landscapes; Frances Cory, who depicts everyday items; and John Martin, who captures characters, including our current and former First Ministers. There is therefore a range of ways in which we can sport a creative industries.

It is important as well that local authorities do the same. This year, the West End Festival in Glasgow was sadly curtailed because of a lack of funding and support, and the famous parade that goes down the Byers Road was unable to take place. However, I was pleased that the Scottish Government agreed that an area of land in my constituency, Kelvin meadow and the Children’s wood, should not be designated for housing because one Member made a point about its importance for children and young people. This is a space where they can have creative and wild play. It is very important that we protect these open spaces, especially in urban areas, so that young people can nurture their creative talent.

There is also responsibility for the devolved Governments in supporting education and tackling the skills gap, as was mentioned earlier. The Scottish Government are also putting money into a film studio in Scotland.

The greatest unknown is Brexit, which many Members have touched on. I agree wholeheartedly with almost every word that the hon. Member for Bristol East said, and so do not feel the need to repeat it.

Alison Thewliss: Does my hon. Friend agree that for specialist institutions in Glasgow, such as the Glasgow School of Art and the Royal Conservatoire, there is a great deal of risk for their students from Brexit? At the moment, the Conservatoire offers a unique melting pot of trad, jazz and classical, with pipers playing alongside ballerinas—there are all kinds of things in the mix. However, all that is under threat if the Conservatoire can no longer be the international institution that it would like to be.

Patrick Grady: That is absolutely correct. The artistic and musical communities are very concerned about the impact that Brexit will have, especially on the free movement of people and their ability to travel to festivals, either as artists or participants.

I am aware that other Members are very keen to speak and so will conclude. It is hugely important to nurture future generations, especially in the context of the Brexit result. We have a duty to open and expand our cultural horizons, and I hope that today’s debate goes some way towards that.

4.1 pm

Deidre Brock (Edinburgh North and Leith) (SNP): I congratulate the Members involved on bringing this very important debate to the House. I want to highlight...
the creative industries for which the city of Edinburgh, the world’s first UNESCO City of Literature, is renowned: writing and publishing.

Books might be changing as the electronic world takes over, but one thing will remain constant: the creation of new works will always need writers. However, writing is a less viable occupation now, with average incomes down to about £11,000 in 2014. We can romanticise the image of the artist in the garret reheating gruel—or porridge—for sustenance, but that is no way for someone to live in the 21st century, and we should be concerned.

The Authors’ Licensing and Collecting Society highlights the economic contribution of writers. In 2014, it was £84 billion of gross value added, which is a year-on-year increase of 8.9%. The Publishers Association tells me that published material earned £4.4 billion last year, three quarters of that in books, and boosted the balance of payments, with 43% of publishers’ sales being exports. Those are serious economic benefits. Last year, 254 million books were exported; a stack 13,000 miles high. If laid down with their spines up, those books would go more than halfway round the world. There are also online journals, e-books and other digital content. Where would the games industry be without talented storytellers?

We must support our writers and publishers; together they make a massive economic contribution.

There is another, even more important reason to support them: we need writers. We need artists of all trades, because art is what makes life, but writers are special. Without them, there would be no new books, plays, short stories or poetry. There would be no great speeches for party leaders, no new films at the cinema and no new dramas on television. “Coronation Street”, “Eastenders” and “River City” would judder to a halt, and time would be up for “Dr Who” and “Outlander”.

Pete Wishart (Perth and North Perthshire) (SNP): Shame!

Deidre Brock: Indeed. Both those shows make welcome contributions to the local economy and tourism, which would be lost.

Writers fill the space around us with art. They create our environment and enhance our lives. They should at least get the chance of earning a living. Some make it big, such as Irvine Welsh, who hails from my constituency and who has had substantial success. He did it the hard way, learning his trade while working other jobs. He was helped by Kevin Williamson, who still lives in Leith and who was a one-man dynamo in the early 1990s. Williamson’s publishing efforts changed the face of Scottish literature. Without him, we might not have had Welsh, Laura Hird, Alan Warner or Toni Davidson. Rebel Inc. altered the direction of Scottish writing, and Kevin Williamson’s contribution should be marked.

Irvine Welsh is an exception, however. Most writers make only a very modest income from their trade. Writers are vital, but we do not support them enough. As the hon. Member for Bristol East (Kerry McCarthy) has helpfully mentioned, we have created a less helpful environment for the creative industries by voting to leave the EU. This was not discussed during the campaigns, but as is the case for other industries, cutting the creative industries off from a potential workforce and potential clients must be damaging, and, as has been mentioned, those are not the only things that will be lost. For example, Creative Edinburgh, in my constituency, is engaged in a two-year project funded by the European Commission partnering creative hubs around Europe with the European Business Network to promote and support the creative economy. That two-year project may be safe from the storms of Brexit, but what will replace such projects in the little Britain of the future?

My constituency is full of extraordinarily talented people, such as novelist Val McDermid, artists Ruth Nicol and Joyce Gunn Cairns, the creatives behind LeithLate and Citizen Curator, people in successful software, digital and advertising companies and more than 11,000 people employed in design. The computer gaming industry, which was mentioned by my hon. Friend the Member for Dundee West (Chris Law) and which is already a major part of the Dundee economy, is becoming a serious and growing part of Edinburgh’s economy. These creative hubs attract people from all over these islands and from abroad.

Creative businesses flourish in my constituency: independent art galleries, shops such as Flux that sell handmade and unique products, and Kalypsy Collective working in the fields of conceptual art, scenography and visual art. Will their viability survive Brexit? When the melting pot, which so many Members have referred to, cools and the exchange of ideas slows, creativity is stunted and output shrinks. Artistic viability becomes strained and economic benefits are reduced and perhaps extinguished. We need to stimulate the creative industries, and I look forward to hearing the Minister’s comments about how exactly the Government propose to do that in the current situation.

The Chancellor could start, for example, with greater and better-targeted tax breaks for the creative industry. As my hon. Friend the Member for Dundee West mentioned, devolving control of those to Scotland would be extremely helpful. Then the Chancellor could loosen the austerity noose that is strangling public services, to see whether the support that central and local government offered the arts could be restored.

Since we are heading down the EU exit ramp, we must secure the flow of people who make our creative industries viable. We need immigration policies that will bring people here and let them study, work and make their homes here. We need easier immigration, and more of it. The creative industries need more Government support for exports and help to open markets and guarantee payments. If the arms exporters can get it, why not creatives? We need creatives to be high up the agenda on overseas missions, with Government selling the ideas and products. These creatives are making a damn fine fist of it, and it is about time they got much more recognition and assistance.

4.8 pm

Joanna Cherry (Edinburgh South West) (SNP): I congratulate the hon. Members who obtained this important debate. I would like to address the role of the university sector in the creative industries. In doing so, I am indebted for their assistance to Universities Scotland and, in particular, to Edinburgh Napier University, which is situated in my constituency.

Scotland has always been a creative nation, and Scotland’s universities have always been at the heart of that creativity. Scottish creativity, as we have heard this afternoon, punches far above its weight on the global stage. World-leading talent has emerged from Glasgow School of...
Art, including Turner prize winners such as Duncan Campbell. Acclaimed stars of stage and screen, including Alan Cumming, David Tennant and James McAvoy, have all studied at the Royal Conservatoire of Scotland. We are very proud in Scotland of the literary success of novelists such as Ian Rankin, a graduate of the University of Edinburgh, which is my own alma mater. We are also proud of Scotland’s previous makar—that is our poet laureate—Liz Lochhead, who was a writer in residence at Duncan of Jordanstone College of Art and Design and the University of Glasgow.

Several of my hon. Friends have mentioned the video game “Lemmings”, invented by a Scottish graduate, Mike Dailly, which first put the great city of Dundee on the map for computer games. My hon. Friend the Member for Glasgow North (Patrick Grady) was a little unkind in suggesting that members of Her Majesty’s Official Opposition could presently be described as lemmings; lemmings put me more in mind of Brexiteers, and it was very amusing to watch some of them attempt to scrabble back up the cliff face in the debate on EU nationals yesterday. I also want to mention Scottish fashion graduate Rachael Barrett, whose designs were chosen and worn by Lady Gaga.

Edinburgh Napier University in my constituency prepares graduates for employment in a significant number of the creative industries, through undergraduate and postgraduate degrees and programmes in its school of arts and creative industries, its school of computing and its business school. It engages proactively with industry and professional bodies through knowledge exchange activities, continuing professional development programmes and provision of advice and support. In particular, it hosts Screen Academy Scotland, a joint venture with the University of Edinburgh that is recognised as a centre of excellence in film practice and has celebrated 10 years of its prestigious status as one of just three film academies in the UK accredited by Creative Skillset.

Joanna Cherry: Edinburgh of course now hosts more than one university. Its oldest university is our joint alma mater, but it also has Napier University in my constituency, which I have just been talking about, and Heriot-Watt University. Possibly what the hon. Gentleman refers to is due to those universities, but it is also very much due to an atmosphere across the education sector in Edinburgh, which fosters interest in music and the arts.

Of course, we are also very privileged to host the greatest international festival anywhere in the world. Growing up in Edinburgh and getting to attend events at the festival and fringe as a wee girl was the sort of opportunity that not all children get. In my constituency, we have tried to ensure that the festival reaches out beyond Edinburgh city centre to the suburbs and housing schemes. That has resulted in some very vibrant arts activity in Wester Hailes, a big housing scheme in my constituency.

Edinburgh Napier is just up the road from Wester Hailes. Many of its students and graduates have achieved considerable success and external recognition, which they have built on to achieve strong careers in the creative industries. Its students’ work features regularly at international film festivals, including Berlin, Venice, Cannes, Beijing, Kolkata and—closer to home—Edinburgh. Graduates of Napier have won awards in journalism and advertising. Its music students have been awarded or shortlisted for national and international prizes, including first prize in the international Jean Sibelius composition competition.

Importantly, Edinburgh Napier offers businesses opportunities to link up with a diverse range of creative students for freelance assignments. That ensures that students develop their skills in a business environment and the businesses themselves benefit from the students’ professional output. The success of Screen Academy Scotland demonstrates how universities can support the continued professional development of those working in the industry. Illustrious graduates of Edinburgh Napier include the film director Lynne Ramsay, the photographers David Eustace and Colin Baxter, and the BBC broadcaster Catriona Shearer, to name just a few.

The creative industries thrive on talent and depend on a well-educated workforce. Universities are a rich source of that talent. Analysis recently published by the Department for Culture, Media and Sport showed that last year more than half of jobs in the creative industries—almost 60%—were filled by people with at least a degree or equivalent qualification, compared with 30% of all jobs in the UK.

There is often a view that creative talent is innate, but that is not the case. Talent must be nurtured and developed, and that is what higher education does. Scotland’s universities collaborate directly with creative companies and industry bodies in the design and development of courses at undergraduate and postgraduate level. However, there is a problem with the skills gap, and it is that issue which I would like the Minister to address. Research carried out by Creative Skillset found that 28% of companies in the creative and media industries reported skills gaps within the existing workforce across the UK, with a slightly higher proportion in Scotland—31%—reporting such skills gaps.

It is interesting to note that only 12% of those studying creative industry-related subjects at postgraduate level in Scotland are from Scotland, compared with the proportion of non-EU postgraduate students studying in Scotland, which is 70%. This means that Scotland needs to retain its creative graduates, regardless of where they are from. We need to encourage people who have come to Scotland to study creative subjects to stay in Scotland after they graduate. These graduates are innovative, enterprising and ambitious, and will contribute not only to the Scottish economy, but more broadly to the social, cultural and economic life and development of Scotland. It is important to ensure, therefore, that the needs of the creative industries and the broader creative and knowledge economy is not lost through the post-study work route.

The UK Government’s immigration policy—specifically, the proposals for tier 2—is the major deterrent to greater flows of talent coming from outside the European
Union into Scotland and the UK. I fear that if the Brexit vote is to be implemented, the problem will only get worse, as students coming from the European Union will also be affected.

Alison Thewliss: My hon. and learned Friend is making an excellent case about the visas for students who are studying in Scotland. I was made aware by Glasgow School of Art of a case where an expert in a specific field who was visiting Glasgow on holiday wanted to come in and share his expertise with students at Glasgow School of Art, but the school had to refuse that request because it would have had serious implications for its own visa status. Does my hon. and learned Friend agree that much more flexibility is needed to allow people to come and share their talent and expertise, without the necessity for formal visas in such situations?

Joanna Cherry: I entirely agree. Every country requires some sort of immigration policy, but we need to look at what is of benefit to our country and our economy. Flexibility of visas in that situation is clearly desirable.

The rules surrounding the UK’s current student immigration policy in relation to employment are often prohibitively restrictive for graduates from creative disciplines, because the starting salary threshold is based on average salaries in other sectors, such as accounting and engineering. We all know that graduates in the creative industries, at least in the early stages of their career, will earn considerably less than that. Such graduates tend not to be in full time employment; rather, they freelance. They may work as a barista, a waiter or a waitress and support their portfolio careers with part-time jobs. It is interesting to observe that our major English-speaking competitors—Canada, the USA, Australia and New Zealand—do not have that minimum earnings threshold.

For a number of years Universities Scotland has been making a positive case for a more competitive post-study work visa for Scotland, because it would be a significant benefit to universities both as employers and as recruiters of students. There is support for a change in immigration policy in Scotland among university principals, staff and students, among business leaders and across all political parties in the Scottish Parliament, including the Conservative and Unionist party.

The Scottish Affairs Committee of this Parliament in its recent report found that current rules for students studying in Scotland to remain in Scotland are too restrictive and are preventing businesses from finding skilled workers. It is clear that in order to support the creative industries in Scotland and beyond, throughout the UK, the Government need to reintroduce post-study work visas. I urge the Minister to address this issue in his summing up today.

4.19 pm

Pete Wishart (Perth and North Perthshire) (SNP): It is a great pleasure to be summing up for the Scottish National party in what has been a very fine debate. It feels like we have been on some sort of geographic cultural tour de force, as we have learned about the delights of the many bidding cities for European city of culture, as well as the other cultural delights of many other cities. We are all enriched by learning about some of the great cultural facets of all these different and differing parts of the UK. I, of course, declare my interest as a former recording artist and refer to my entries in the Register of Members’ Financial Interests.

I have spoken in practically every single debate on the creative industries in my 15 years in this House. It is always fantastic to come to these debates and just learn and see how many more Members are taking an interest in their creative industries and the things that underpin them, such as intellectual property and some of the fiscal levers we have at our disposal.

I congratulate those who opened the debate; I forgot to mention the hon. Member for Sunderland Central (Julie Elliott). It is worth reminding ourselves how fantastically we do in this country. The UK is the largest cultural economy in the world relative to GDP. We are the largest producer of TV and radio content in Europe. We are the largest producer of recorded music in Europe and the second largest in the world. We have the third largest filmed entertainment market globally. As chair of the all-party group on writers, it was also fantastic for me to hear from my hon. Friend the Member for Edinburgh North and Leith (Deidre Brock) about her wonderful authors and writers, and it is great to know that we are the largest publishing market in Europe.

The creative industries are growing almost twice as fast as the wider economy. I think it was the Minister who first mentioned, in a tweet, that we are now worth £10 million an hour to the UK economy. Many have subsequently picked up that figure. The creative industries are also a huge employer, and the number of jobs in them increased by 5.5% between 2013 and 2014.

There is incredible growth in our creative sector and its industries, therefore. When so many of our sectors are flatlining, we are practically reindustrialising this nation on the imagination, creativity and talent of the people of this country. What a wonderful way to grow our economy, based on those virtues.

Alison Thewliss: I do not know whether my hon. Friend is aware that the artists studios in Glasgow are so successful that they are having to expand and expand. I visited the Briggait in my constituency. They are so successful that they are having to expand and expand. I urge the Minister to address this issue in his summing up today.

Pete Wishart: Absolutely. We are all seeing and experiencing—as we have heard in most of the contributions and interventions today—that every constituency and community now has some form of creative hub, providing highly skilled jobs, giving opportunities to young people, employing people and encouraging them, and culturally enriching their communities. I pay tribute to the wonderful work done in my hon. Friend’s constituency and in those of so many other Members.

This is about much more than the hard economics, important though they are in assessing the contribution the creative industries make. The creative industries provide a conduit which allows for the cultural enrichment of our nation and communities. We are successful in this country primarily because we are fantastically good at producing this stuff. We are also successful because we have managed to provide the conditions that allow talent to develop and grow. I have always said that one
of our major responsibilities as legislators and Members of this House is to try to create the conditions that allow the optimum environment for our artists and those who invest in our talent and build our creative industries, so that they can continue to develop, thrive and grow. We have been successful in that, because up to this point we have managed to provide the frameworks that allow our creative industries to grow.

There are certain things that need to be in place in order to have a successful creative industries sector. Some of them are fiscal, and some are at the disposal of this Government. We have already heard about the difference some of the tax reliefs have made to various sectors, particularly computer games, about which my hon. Friend the Member for Dundee West (Chris Law) made such a good point and recognised. When we deploy these things, we get a massive return and a massive hit. Some of the support is resourcing, therefore, such as ensuring that funds are available for what are mainly small and medium-sized enterprises to develop and grow. There is so much more we can do to incentivise our SMEs, to ensure we continue to create that optimal environment for development in these sectors.

Other things are probably a bit more difficult to achieve, and they are what I want to address. I want us to ensure that the artists who are prepared to use their talent are properly rewarded for the work they produce and those who invest in it are properly rewarded for the investment they make. We must strive to make that always the case and to ensure that those who produce this wonderful work, which we see and experience and love so much, are rewarded properly. This is why we need to ensure that the intellectual property rights of those involved in our creative sector are always respected and progressed.

Our creative industries inhabit a part of the economy that is fast changing, developing all the time and always open to technological innovation, and more than anything we are seeing the migration to digitisation in the online environment. That presents probably a bigger challenge to our creative industries than to any other sector of the economy, which is why we must be ever vigilant around the demands and needs of the creative economy and sector. Even though the creative industries are a huge success story—we can see the contribution they make to our economy—many people in music, film and television production, publishing and design still struggle to be rewarded properly for their efforts. We have to design a properly functioning digital market that enables creators and rights holders to secure the full value of their work online.

It has to be said again that the market is being distorted by the tech giants. The likes of Google and YouTube—the gateways to online content—distort the market and make it difficult for artists and those who invest in their talent to be rewarded for their work. Google is a fantastic facility—I am sure we all use it—but it makes such a big impression on the market and makes life so difficult for those in the creative sector. We have to get on top of that. So often, searches on Google and through other big tech companies still direct people towards sites that are either illegal or do not properly reward artists and musicians. That must now stop.

That facilitates the worries about the growing “value gap” between rising creative consumption and decreasing revenues, which undermine the incomes of people in the sector. I think mainly of the streaming sites, on which we had a helpful debate yesterday—several people in this debate spoke then about the remuneration of artists online. We have to look at these issues, and I am sure the Minister took away some valuable points that helped to shape that debate. Someone is growing rich from the creative endeavours of our wonderful artists, but it is not the artists. Parasite companies—little more than hosts with algorithms that store content—are growing rich on the back of the creativity of the people of this country. Somehow we have to re-tilt the balance much more in favour of the artists, creators and inventors—the talent—and those prepared to invest in them.

I have to turn finally to the EU debate. We really enjoyed the remarks from the hon. Member for Bristol East (Kerry McCarthy). She was spot on. This is a potential catastrophe for our creative industries. We cannot mince our words: being taken out of the EU would be really serious for our creative sector. We have heard the issues about the single market, about how these wonderful products will be placed properly without further tariffs within the EU, and about the impact on our creative sector and its product placement, but there is also the movement of people. One reason our creative industries are so successful and why London is probably the creative hub not just of Europe but of the whole globe is the fact that it has been able to draw talent from the EU uninhibited by any concerns about visa arrangements. There is a real concern, therefore, about what will happen to the people employed in our creative sector, particularly in cities such as London, and also Edinburgh, which is dependent on talent from overseas.

The biggest innovation at the moment—the one that will make the biggest difference to how we use and access online content—is perhaps the digital single market, but we will not be part of it. The Minister said yesterday that we could somehow—I do not know how—have proxy conversations with France and Germany about it. If we leave the European Union we will be excluded from that and have no say in it whatsoever.

Thankfully, most copyright laws that were designed in Europe have been incorporated into UK law, so we need not concern ourselves too much with the protection of artists, writers and creators as those laws have now been subsumed. However, a massive debate is going on in Europe about innovation and new copyright laws, and we will be excluded from that, which will be of massive detriment to our creative industries.

The hon. Member for Bristol East touched on the issue of what leaving the European Union will do to us psychologically, and where it leaves us culturally. If anything, music, cultural works, and things that we enjoy are about sharing and working communally. We have lost something quite profound in how we talk about ourselves as a nation and how we share all the wonderful culture that we produce. It is as if we have stepped aside and walked away from our partners, and that will have a profound impact and psychological effect on artists up and down the country. I do not know how we recover from that or start to address it, but we can almost sense the depression in our artistic and creative community.
On Tuesday night I hosted a meeting of the all-party group on intellectual property, and all that people were talking about was leaving the EU and the impact and depression that that has introduced into the sector. We must work hard to address that and think about how we can excite the sector. That is down to the Minister, because it will be his job and responsibility. Unlike the Secretary of State, who went against almost 99% of the people he is notionally supposed to represent in the creative industries and who desperately wanted to remain in the European Union, the Minister was on the remain side and he must try to design a way forward for the country. There are a couple of opportunities and ways in which he may be able to do that. For example, with the Digital Economy Bill he must reassure everybody in the sector that he will try to offset some of the difficulties and harm that will be done when we leave the European Union. He cannot do much about immigration, but he can speak to his colleagues about what we can do to secure and retain talent.

The Digital Economy Bill is great, and it honours the commitment made by the Conservatives to ensure universal access to broadband. I am grateful for that, as I am for the inclusion of intellectual property rights that state that online crime will be of the same nature and stature as offline crime. However, we need a big job to ensure that we start to rebuild some of the confidence that has taken such a heavy knock over the past few weeks.

I am sure the Minister saw the fine report on the creative industries in Scotland—my colleagues have referred to it a few times. I am delighted that so much time was spent on the city of Dundee, and to learn what happened there and what underpinned the success of the creative economy. However, I was disappointed by the response—I thought that we might have secured membership of the UK-wide Creative Industries Council, but that has been turned down. I was also disappointed that there was no recognition of how tax reliefs in the creative sector apply across the United Kingdom, and I urge the Minister to consider those issues again.

This has been a fantastic debate, and it is great to see so much interest. I wish everybody well in any competitions that their various cities may be in—such as that for the city of culture. It has been fantastic to learn about the wonderful cultural activities taking place. We should keep an interest in this sector as it is important for our economy. We have troubles now, but it is up to us to try to design a way forward. Let us hear what we can do; I am looking forward to hearing from the Minister.

4.34 pm

Kelvin Hopkins (Luton North) (Lab): I congratulate my hon. Friend the Member for Sunderland Central (Julie Elliott) on securing this important debate, and on her excellent and interesting speech, which set out a lot of fascinating facts, particularly about her constituency and fine home town of Sunderland. When I was four years old, we lived next door to people from Sunderland, and a fine home town of Sunderland. When I was four years old, we lived next door to people from Sunderland, and I am delighted that so much time was spent on the city of Dundee, and to learn what happened there and what underpinned the success of the creative economy. However, I was disappointed by the response—I thought that we might have secured membership of the UK-wide Creative Industries Council, but that has been turned down. I was also disappointed that there was no recognition of how tax reliefs in the creative sector apply across the United Kingdom, and I urge the Minister to consider those issues again.

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I have to make my contribution today from the Dispatch Box, but I should say that I have a passionate and long-standing personal interest in the creative industries, especially those relating to the arts and most especially music, in which this country is a world leader in just about every sphere. As I said in the Westminster Hall debate yesterday, to which much reference has been made—the Minister will respond to this debate, as he did yesterday—I was a part-time jazz musician in my youth, as well as a member of the Musicians Union. I should perhaps declare an interest in that the union has provided support to my constituency party in past elections. I also said in yesterday’s debate that I secured my very first Adjournment debate some 18 years ago on the subject of public funding for jazz, which was and remains far too low. Public funding for the arts across the board is vital. Perhaps only the commercially successful field of popular music can be self-sustaining. Even with that, online rip-offs are making inroads into incomes, as we heard yesterday.

We in Britain are astonishingly good with music. We have several of the finest orchestras and many of the finest classical musicians anywhere in the world. To gauge just how talented a musical nation we are, I refer to the situation some 35 or so years ago, when a European youth orchestra was formed. Auditions for the orchestra were held across Europe. If the best musicians had been chosen, all the chairs would have been filled by young British musicians. In the event, half the seats were allocated to the British and the others were shared out between the other European nations.

In the field of popular music, Britain has been a dominant force for decades. From The Beatles to Adele, we b astroid the world with a seemingly unending stream of brilliance. It has to be said that we are helped because English is the major international language—that undoubtedly helps our creative exports across the piece—but music is essentially about harmonious sounds that do not require translation. When it comes to melody and harmony, and indeed rhythm, we can match the best.

To return to jazz, we have produced brilliant musicians and superb music for many decades. For some 15 years, I was a board member of the National Youth Jazz Orchestra. I have seen scores and possibly hundreds of breathtakingly great young musicians pass through the NYJO ranks. I know jazz music only too well, so I know just how good those young musicians are. Amy Winehouse sang with NYJO in her teens, as did another wonderful singer called Sumudu Jayatilaka, who Members may have seen singing in the millennium celebrations at the O2 Arena at midnight on that day.

I have perhaps over-indulged my musical interests, but Britain has great success in other fields. We continue to make some of the finest films in the world, and our film studios, actors, directors, technicians and all the skills in the industry bring in substantial revenues, while they entertain, educate and enthral us all.

In theatre, we draw in millions of tourists from across the world, especially to London, to watch our great actors perform in top-class productions. There has been a recent British boom even in dance and choreography, in all styles. In broadcasting, our radio and television is undoubtedly helps our creative exports across the piece—but music is essentially about harmonious sounds that do not require translation. When it comes to melody and harmony, and indeed rhythm, we can match the best.

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In theatre, we draw in millions of tourists from across the world, especially to London, to watch our great actors perform in top-class productions. There has been a recent British boom even in dance and choreography, in all styles. In broadcasting, our radio and television is arguably the best in the world, and drama and documentary exports are money-spinners for us. I once had the misfortune to watch the Olympic games on holiday in
an unnamed foreign country. The presentation was dismal—I was used to the superb sports coverage of the BBC, which was light years away in quality.

I could continue to wax lyrical about our creative industries—I have not covered some fields in the time allowed, for which I apologise. We have superb museums, a great heritage sector and great writers—this is the land of Shakespeare, no less. However, I wish to make serious points about sustaining our success for the future. It is vital to give every young person with the talent and potential to develop as a musician, an actor or an artist the myriad technical skills needed across the sector. The seedcorn of talent in our young must be nurtured and supported, which means appropriate and necessary state funding. In music, instruments and tuition are expensive, and squeezing the budgets of local authorities and of education has meant cuts in provision. Music must not become the preserve only of the children of affluent parents, who simply pay for their children’s instruments and tuition—as, indeed, happened in my own case. Instruments must be available for all young people to borrow and tuition must be free for children of school age.

Young people from all backgrounds must be given their chance to develop and shine, not just for themselves but for our future success as a creative nation. Our recent colleague and successful actor, the brilliant Glenda Jackson, said in this place that she could never have afforded to attend drama school without a full state grant and so he has always had a special place in my heart. My hon. Friend the Member for Warwick and Leamington (Chris White), who has done so much to promote the

Software City in Sunderland, set up in 2009. It was a brilliant speech because she brought home to me something I found out on referendum day, 23 June, when I went to Newcastle to do my bit to secure the spectacular result we ended up with. I met businesses from Newcastle and Sunderland. One point they made to me was that they felt very strongly that, although they had a lot of support and investment from around the country, in the north-east region it was not well known enough how successful Sunderland and Newcastle are in terms of hi-tech industries. The point they were trying to get across, of course, was that they want to encourage kids at school, or those leaving school to go to college, further education or university, to consider these industries. I went away with a promise, as it were, that I would do all I could to help.

Wes Streeting (Ilford North) (Lab): Given that the Minister is talking about young people in particular, he might reflect on some of the challenges around social mobility and making sure that access to creative industries is available to young people from the most disadvantaged backgrounds.

Mr Vaizey: I completely support the hon. Gentleman on that. I commend in particular the Next Gen group, started by Ian Livingstone, the well-known promoter of the games industry and the founder of many successful games companies. I have also been to some fantastic courses, supported by companies such as Microsoft in further education colleges, which reach out to people from different backgrounds and give them the hands-on skills they need to go straight into employment. The great challenge the creative industries face is giving young people the skills they need. Too often, the courses in further education and universities are too far removed from the world of work in the creative industries. It is changing so fast because of the change in technology, but let me return to some of the excellent speeches in the debate.

Fiona Mactaggart rose—

Mr Vaizey: Having retrieved my notes, I was just about to refer to the speech of the right hon. Member for Slough (Fiona Mactaggart), but she wants to intervene.

Fiona Mactaggart: Will the Minister, who kindly came to the agency events hosted by Battersea arts centre here in the House, reflect on the concept of using creative organisations such as Battersea arts centre to enable and provide mentoring for young people to implement creative ideas?

Mr Vaizey: We are certainly going to look at that. We published a culture White Paper a couple of months ago, which I shall come on to in some detail. Let me first say that one reason why I found myself in difficulty earlier relates to what I have discovered in two debates with the hon. Member for Luton North—that he gives commendably short speeches. I see the hon. Member for Perth and North Perthshire (Pete Wishart) nodding with some understanding. I strongly commend the hon. Member for Luton North for this particular ability. Short speeches are more than welcome in this place.

Let me say how much I enjoyed hearing the speech of my hon. Friend the Member for Warwick and Leamington (Chris White), who has done so much to promote the
video games industry. I thank him for talking about the arts and widening the scope of this debate. The right hon. Member for Slough spoke about the importance of arts education, to which I shall return in a few minutes. Sadly, I was not in my place to hear the entire speech of my hon. Friend the Member for Selby and Ainsty (Nigel Adams), but I heard him in yesterday’s debate, when he talked so eloquently about copyright. Today, he widened his remarks to include general support for the music industry and particularly for live music. The hon. Member for Dundee West (Chris Law), who is the other co-chair of the all-party group on video games, spoke about Dundee as one of the great homes of video games development. He made yet another valiant bid on behalf of the SNP to take yet more powers from the Westminster Government.

I was not here for the full speech of my hon. Friend the Member for Southend West (Sir David Amess). I was about to say that he was an “unlikely champion” of the arts, but that would be unfair. At Prime Minister’s Questions yesterday, he commended Southend yet again. I have worked out why. When I was drinking in a pub with Tracey Emin a few weeks ago—[Interruption.] Did I say Tracey Emin? The pub landlady came out and told me what a huge fan she was of Margaret Thatcher. On the day that we learn that we were about to get a second female Prime Minister, I recall her saying that she was a huge fan of Margaret Thatcher. She showed me a picture that featured the landlady, Margaret Thatcher and my hon. Friend the Member for Southend West. He has promised me that he will find out where that photograph was taken. We wait to hear, but I think that was the beginning of my hon. Friend’s cultural career.

I commend the hon. Member for Glasgow North (Patrick Grady), particularly for mentioning e-sports, which I passionately support. I am worried that the French are taking e-sports extremely seriously, and we need to promote them here. I was delighted to hear the hon. Gentleman mention them, particularly on a day when Manchester City have signed Kieran “Kez” Brown as its first e-sports professional football player. I also appreciated the hon. Gentleman’s point about local council support. I suspect that the sub-text was an attack on a Labour council from an SNP Member. I was not here for the full speech of my hon. Friend the Member for Southend West. He has promised me that he will find out where that photograph was taken. We wait to hear, but I think that was the beginning of my hon. Friend’s cultural career.

Let me thank the hon. Member for Edinburgh North and Leith (Deidre Brock) for mentioning our very successful publishing industry. We do not talk enough about it, partly because it does not receive the sort of support that the Government give to, say, film and video games. As she rightly pointed out, this is our most successful creative industry. Indeed, Scotland supplies some of our greatest authors. The hon. and learned Member for Edinburgh South West (Joanna Cherry) expanded the debate even wider, talking about the fashion industry, as well as importantly about work visas, general access to skills and immigration issues post-Brexit.

A number of themes emerged in the debate. One was the unmitigated success of the longest-serving creative industries Minister in recent history! In the last six years, we have seen the exponential growth of the creative industries. Let me try to make a serious point here. These are our most successful industries, growing at three times the rate of the economy. Having done this job in opposition and in government, I have seen an increasing number of colleagues in this place who realise the importance of the creative industries and take them so seriously, and this has been reflected in the contributions of hon. Members today.

The creative industries are affected by very specific issues—including intellectual property protection, about which the hon. Member for Perth and North Perthshire has spoken eloquently for many years, and access to skills, which has also been raised in the Chamber—but they are highly successful. They are partly turbo-charged by tax credits for film, games and animation, which also extend to the arts, supporting theatre and galleries.

The right hon. Member for Slough rightly drew attention to the importance of arts education. We will differ on the question of whether the arts are being excluded from schools, and I expect that there will be constant debate about it. I personally reject the idea. People may think that an increased focus on science and technology, which perhaps has not been as strong as it could have been over the last few years, somehow means that the arts will suffer, but no one is preventing a headteacher from focusing on the arts and culture. Indeed, I would encourage it. Certainly, working with the present Secretary of State for Education and her predecessor, I have been able to secure important funding for music education and the creation of music education hubs, as well as a number of important programmes to promote heritage and culture.

We are also working on diversity, with the aim of reaching out to more and more people to extend cultural experiences. Our Culture White Paper—the first to be published for more than 30 years—focuses on the culture citizens programme. We hope to launch a pilot in the autumn, embedding a cohort of young people from schools around the country with arts organisations and giving them a wide experience of the arts.

 Wes Streeting: I am grateful to the Minister for giving way again. I especially welcome the work that the Government have done on music hubs. Redbridge Music Service is one of the participants, and it does an outstanding job. May I urge the Minister and his Department to keep a close eye on the consequences of local government funding cuts for many arts and cultural programmes, which are coming under enormous pressure because of the strain on councils’ finances?

 Mr Vaizey: I thank the hon. Gentleman for his kind words. He has allowed me to make a further point about the culture White Paper, in which we announced our proposed Great Place scheme. We have seen the huge success of Liverpool's designation as European capital of culture, and the huge success of the city of culture scheme, initiated by the last Labour Government, which first benefited Derry/Londonderry and will benefit Hull next year. The Great Place scheme is designed to allow local authorities a small amount of funding to create a cultural strategy. The North East Culture Partnership was one of the inspirations for the idea. In the NECP, 12 councils and five universities have come together to create a coherent vision for culture in the north-east. It is important to note that it is a long-term vision, covering not just the next 12 months but the next 15 years.

I agree with the hon. Member for Glasgow North that we should encourage councils to understand the importance of culture in shaping places, creating
jobs and bringing communities together, but also in improving health and wellbeing and contributing to education.

Kelvin Hopkins: I agree with the Minister that we should encourage councils to support culture, but when their funding is being squeezed, they have to cut because there is no alternative. Does the Minister not agree that we must provide the funds as well as the encouragement?

Mr Vaizey: I do not want to range too far from my brief and start commenting on local authority funding, but, in my view, that is possible. I object to the fact that culture is always at the back of the queue, and that when it comes to making savings, it is the first thing that some councils look at. However, many imaginative councils—Labour and Conservative, and possibly even SNP—have shown that it is possible to continue to fund culture, and to embed it in many different areas rather than simply putting it in a silo labelled “culture”.

I think that I have covered quite a lot of ground in a slightly bitty way. I have not really put together the narrative that I hoped to put together, partly because I was slightly discombobulated by the pithiness of the remarks of the hon. Member for Luton North, but let me say this. I think that we in the United Kingdom are incredibly lucky to have such extraordinary cultural and creative industries, driven by some remarkable people. They have been supported strongly by Government, particularly through tax reliefs, and also in focusing on skills and a wider strategy.

We must make sure that in a Brexit world we work with the arts and creative industries, which are the calling cards of this fantastic country. We must ensure that they are part of the debate. We must ensure that, as the hon. Member for Bristol East (Kerry McCarthy) said, they have a voice in a practical way. I can tell her that I came here from a meeting this morning of the inter-ministerial group, where we discussed DCMS-relevant sectors, looking at key business areas across Government. Tourism, the creative industries, the media, and arts and culture were all part of that debate. We have already seconded one very senior civil servant to the Brexit unit. We will make sure, in a practical way, that culture and the creative industries are taken account of, but also, in a more wide-ranging way, that the voices of our artists and creators are heard as we forge a new way forward for the United Kingdom.

4.55 pm

Julie Elliott: The Minister was very creative after he lost his notes. I was highly impressed with his recall of some of my speech. I have to say, however, that if he visited any pub in Sunderland, a photograph of the former Prime Minister would be the last thing he is likely to find behind the bar; it would not be welcome in my city.

This has been a very interesting and informative debate with contributions from Members in all parts of the House. We have ranged from Scotland, to Slough, to Southend, to Sunderland—

Kerry McCarthy: And Bristol.

Julie Elliott: I am coming to Bristol. These are all parts of the UK with very diverse economies. The creative industries are very important to all parts of the country. Although many Members from Scotland contributed, they did not mention my favourite festival in Scotland, which my son-in-law introduced me to—the Worlds, the big pipe band competition at the beginning of August, which he has played at on occasion. The contribution made to our national economy by the creative industries is enormous, but often almost silent. For that reason alone, it is important that this debate has happened.

Education has been mentioned, including access to learning and the number of people applying for qualifications. We have significant concerns about the latter, and it is one thing I disagree with the Minister on. It is an issue that we and the Government need to watch. I would love to see a call for an industrial strategy on all levels.

On the impact of Brexit, the outstanding contribution was made by my hon. Friend the Member for Bristol East (Kerry McCarthy). This is what is worrying us most about these industries. With regard to visas, when I talked to people before the referendum, I heard about the struggle that some of our artists have in getting to America. If that replicates itself in Europe, we will have very serious problems. I welcome what the Minister said about somebody having been seconded to the Brexit unit, because we cannot over-emphasise the importance of these matters.

I hope the Government do not overlook this growing, diverse and economically important area of policy, and the impacts that Brexit will have. I feel slightly reassured by what the Minister said about that. Members of all parties in the House would help if there is anything we can do, because that is important not just to the creativity in our country but to the thriving, growing industries that the creative industries are.

Question put and agreed to.

Resolved,

That this House has considered support for the UK’s creative industries and their contribution to the economy.

Business without Debate

OPPOSITION PARTIES (FINANCIAL ASSISTANCE)

Resolved.

That, notwithstanding the Resolution of the House of 23 March 2016 relating to Opposition Parties (Financial Assistance), the accounts to be published by each political party claiming financial assistance under paragraph 2.1 of the Resolution of 26 May 1999 relating to financial assistance for opposition parties, as codified and modified by the House of Commons Members Estimate Committee in the form set out in section 2 of Annex 2 of that Committee's report to the House of 16 March 2015 (HC 1132), shall be required to include the matters set out in the Schedule.

SCHEDULE

A. Financial Assistance: Official Opposition

(i) The identification of each person at least 50% of whose salary is, or has at any time during the financial year in question been, paid for from funds received under paragraph 2.6 (if they have worked for a named Member, together with the name of that Member) and either (a) the total remuneration earned by that person if in excess of the specified threshold or, if not, (b) the relevant pay band.
(ii) The total claimed under paragraph 2.6, showing a breakdown between (a) the total direct staff costs identified in (i) above met from funds received under paragraph 2.6 and (b) other costs, indicating the principal headings of such expenditure.

B. Financial Assistance: Other parties

(i) The total number of people at least 50% of whose salary is, or has at any time during the financial year in question been, paid for from funds received under paragraph 2.6, if they have worked for a named Member or for the parliamentary party as a whole, and the relevant pay band.

(ii) The total claimed under paragraph 2.6, showing a breakdown between (a) the total direct staff costs identified in (i) above met from funds received under paragraph 2.6 and (b) other costs, indicating the principal headings of such expenditure.

C. Leader of the Opposition

(i) The identification of each person at least 50% of whose salary is, or has at any time during the financial year in question been, paid for from funds received under paragraph 2.6, and either (a) the total remuneration earned by that person if in excess of the specified threshold or, if not (b) the relevant pay band.

(ii) The total claimed under paragraph 2.6, showing a breakdown between (a) the total direct staff costs identified in (i) above met from funds received under paragraph 2.6 and (b) other costs, indicating the principal headings of such expenditure.

D. Travelling expenses

The total claimed under paragraph 2.12.

E. Representative money

(i) The total number of people at least 50% of whose salary is, or has at any time during the financial year in question been, paid for from funds received under paragraph 2.10, and either (a) the total remuneration earned by that person if in excess of the specified threshold or, if not (b) the relevant pay band.

(ii) The total claimed under paragraph 2.10, showing a breakdown between (a) the total direct staff costs identified in (i) above met from funds received under paragraph 2.10 and (b) other costs, indicating the principal headings of such expenditure.

F. Definitions

The pay bands and threshold amount referred to above shall be those applicable for the year in question to Ministers’ special advisers, as determined by the Accounting Officer of the House.—(Charlie Elphicke.)
National Christian Evangelical Alliance of Sri Lanka has documented an estimated 450 incidents against Christian minorities since 2009. Since 2015, 130 incidents of intimidation, discrimination and violence against Christians have been recorded, and a campaign to close churches continues to this very day. Although the war has ended, does the hon. Gentleman agree that we need assurances from the UK Government and the Minister that they will do everything in their power to ensure that Sri Lanka moves further towards religious freedom for all, not away from it?

Wes Streeting: The hon. Gentleman is a long-standing champion in this House of highlighting the persecution of Christians and demanding, quite rightly, that the issue gets greater Government focus and attention. Although a smaller religious minority in Sri Lanka, the Christian population is there none the less and also faces human rights abuses that must be recognised, tackled and dealt with effectively.

The Sri Lankan civil war ended in May 2009 and lasted some 26 years. It was primarily between the LTTE—the Tamil Tigers—and the Sri Lankan Government army. It is estimated that up to 100,000 people were killed during the course of the bloody conflict. In 2009, the then Foreign Secretary, David Miliband, described the brutality in the north of the country as a “war without witness”. Since the conclusion of the civil war, so much of that witness testimony has come forward. In my constituency surgery, I have been horrified by the descriptions of what people have suffered, and I have met constituents who bear not only the mental scars, but the physical scars of that conflict. Serious allegations of human rights abuses have been made by both sides of the conflict, including allegations of murder, sexual violence, torture, disappearances, the use of civilians as human shields and the use of child soldiers. Mines were used in the conflict, although many have been removed since the war ended. Many of the people at the top of Sri Lankan society—Ministers, military leaders, and figures in the judiciary and in wider civil society—are suspected of being complicit in many of the atrocities that took place.

Mike Gapes (Ilford South) (Lab/Co-op): As my hon. Friend knows, there are more Tamil constituents in the south of our borough than in the north. But we also have Sri Lankans living in London, and in other parts of Britain, who have come from the other communities. It is important that in this process we try also to get reconciliation in the diaspora. Does he agree that one way to bring that about would be if the Sri Lankan Government could guarantee that people from the UK, or elsewhere in the world, from the diaspora who wish to go back to visit their place of birth or their family will be protected? There is enormous fear, for understandable reasons, among many people living in this country that things will happen to them or to their relatives if they do return.

Wes Streeting: I certainly agree with my hon. Friend and neighbour about that. One thing I find encouraging about the Tamil and Sinhalese population in my constituency is that a number of events are held throughout the year where they come together. That is the spirit of reconciliation we need to promote, not just in the diaspora, but in Sri Lanka. We are pushing for a process of truth, justice and reconciliation. Indeed, in the 2009 speech I mentioned earlier, David Miliband told this House: “How the conflict is ended will have a direct bearing on the prospects for long-term peace in the country. The Government there must win the peace as well as the war.”—[Official Report, 30 April 2009; Vol. 491, c. 1050.]

Members in the Chamber this afternoon will be aware that the closing weeks and days of the Sri Lankan civil war were among some of the most brutal and bloody, and certainly the Government of Rajapaksa gave very little encouragement that we could find that process of truth, justice and reconciliation. The election of President Sirisena last year offered some hope that there would be an opportunity for Sri Lanka to move forward, as he pledged both reform and reconciliation. I acknowledge that progress has been made under that Government, but what will set out this afternoon is the fact that the demands of the UN Human Rights Council resolution passed in October 2015 are not yet being fully implemented. The progress being made by the Sri Lankan Government is too slow. Many of the public statements made by senior Government figures are directly contrary to the demands of that resolution, particularly in respect of international involvement in the prosecution of historical alleged war crimes.

That resolution set out judicial and non-judicial measures needed to advance accountability, reconciliation, human rights and the rule of law. It was very encouraging that the Sri Lankan Government co-sponsored that resolution and that it passed unanimously. Although the resolution did not go as far as many of us would have wanted, the compromise was worth while, in binding the Sri Lankan Government to that resolution. That is why we must make sure that it is delivered to the letter.

Although it should be acknowledged that some initial progress has been made, with the release of civilian land and the establishment of an office of missing persons, the update produced by the Human Rights Commissioner last month shows that there is still much more progress to be made if the resolution is to be met and justice is to be obtained. Much more needs to be done to speed up efforts to investigate missing persons and to provide confidence to their families that the search is serious. The UN working group on enforced or involuntary disappearances ranks Sri Lanka as the country with the second highest number of disappearances in the history of its tenure.

The Sri Lankan Government must also do more to improve transparency and communication in relation to their consultations, having promised to engage in broad terms in national consultations and created a consultation taskforce on reconciliation mechanisms in February 2016. Progress in this area has again been slow. The taskforce has not yet begun regional consultations, which, given the nature of the geography and the demography of Sri Lanka, are absolutely essential, and the UN special rapporteur on transitional justice has criticised the process. Indeed, there are many people in the diaspora, including those in my constituency and, I suspect, in other constituencies, who want their voices to be heard and who also deserve to have their say in the consultation process.

It is also worth noting that those consultations that have taken place, for example on the creation of the Office for Missing Persons, have been short and their
findings not shared with the public. Instead, in this particular case, they were shared only with a small number of civil society groups, which were given just two weeks to respond. Given the gravity of the issues being discussed, that is wholly unsatisfactory.

The delay in the implementation of the UN Human Rights Council resolution has to be addressed if confidence in the process is to be maintained. This afternoon, there are three key areas to which I wish the Minister to respond. First, there is the issue of international involvement in the prosecution of war crimes. Despite agreeing to “the importance of participation in a Sri Lankan judicial mechanism, including the special counsel’s office, of Commonwealth and other foreign judges, defence lawyers and authorised prosecutors and investigators”, public statements have been made by the President and the Prime Minister of Sri Lanka stating that the judicial process will be domestic with no foreign or international involvement, which is wholly unacceptable. It is completely contrary to the resolution that was passed and the resolution that the Governor of Sri Lanka set up.

Anne McLaughlin (Glasgow North East) (SNP): I congratulate the hon. Gentleman on bringing this really important issue to the House. Does he agree that we cannot accept the Minister saying that we will not push for international involvement because, after all, the President today may be better than the President before, but President Sirisena was still part of Rajapaksa’s Government when he bombed innocent people who had done absolutely nothing to deserve it? I just want to add my voice to push for that.

Wes Streeting: I am grateful to the hon. Lady.

The international involvement is important for two key reasons. First, the framework for the prosecution of war crimes as serious as these simply does not exist in Sri Lankan law. The judicial mechanism needed to prosecute such serious crimes simply does not exist. The second reason is about confidence. Tamil people in Sri Lanka, in this country and in other countries around the world must have confidence that there will be a fair and due process, that the courts are properly equipped to prosecute crimes of this nature, and that the people who were responsible are properly held to account. Without not just the truth, but the justice, the reconciliation will not follow, and that would be an absolute travesty for a country that has so much promise and a potentially bright future ahead of it after such a dark and devastating conflict.

I hope that we will bring appropriate pressure to bear on the Sri Lankan Government to reverse this stance and that we will work with the international community to ensure that agreements are honoured. Will the Minister tell me what representations the UK Government have made to the Sri Lankan Government on this issue, and what steps our Government will take with our international partners to increase pressure in this area? I know that the Minister is familiar with these issues. He has recently returned from Sri Lanka and is optimistic about the progress that is being made, but he must be firm with the Government of Sri Lanka and say that our bilateral relationship would be damaged if they do not honour the commitments that were made at the UN Human Rights Council, bearing in mind that the Prime Minister was heavily criticised, particularly by Labour Members, when he chose to visit Sri Lanka as part of the Commonwealth Heads of Government Meeting. He visited the north and met the Tamil community. Although I had misgivings at the time, it is only fair to acknowledge that the Prime Minister’s visit did shine a spotlight on the issues and helped us to apply pressure, but that visit will have been in vain if we do not see progress. I hope that, before he leaves office, the Prime Minister can bring some pressure to bear on the matter and that his successor will do the same.

I also want to raise the allegations of ongoing human rights abuses. It is simply unacceptable that, despite agreeing to the UN Human Rights Council resolution and the public statements made on this issue, we are still hearing about cases of torture, illegal detention and sexual violence. Human rights organisations such as Amnesty International, Human Rights Watch and the International Truth and Justice Project in Sri Lanka have all raised concerns about recent abuses and a lack of progress in this area. The charity, Freedom from Torture, has also produced evidence of the torture of Tamils occurring in 2015, including after resolution 30/1 was passed. The all-party parliamentary group for Tamils has not yet seen any evidence that these allegations have been investigated.

More recently, we learned that Velauthapillai Renukaruban, a British citizen of Tamil descent who visited the country to get married, was beaten and imprisoned on false charges. We must not allow British citizens to be treated in that way. Where these abuses take place, we must use every bit of our diplomatic muscle to ensure that British citizens are protected—never mind the fact that Tamil people who do not have the British citizenship also deserve to go about their lives with dignity and freedom.

With those worrying cases in mind, will the Minister inform us of the action he is taking to make it clear to his counterparts in the Sri Lankan Government that these abuses cannot be allowed to continue? Will he also inform the House what funding arrangements the Foreign and Commonwealth Office has in place to promote human rights abroad and how much of those funds is spent on Sri Lanka and for what purpose?

Many members of the Tamil community have raised with me the issue of deportations from the United Kingdom to Sri Lanka. When a person reaches the United Kingdom as an asylum seeker, we must do all we can to make sure that they are treated with respect and dignity. It is clear that the UK Government must look again at their policy in respect of Tamil asylum seekers. The ongoing human rights abuses and the evidence of torture of political dissidents in Sri Lanka should be a wake-up call that this issue must be treated with more seriousness than has been the case recently, particularly by giving more weight to the risks to individuals.

With this in mind, will the Minister ensure that he has further discussions with the Home Office to underline the dangers that people may face if they are returned to Sri Lanka? Will he provide an update on policy in this area, given that the UN Committee Against Torture expressed concerns about this issue nearly three years ago, in 2013?

We in this House should not forget our duty to help those in need. We should remember that this issue continues to affect the lives of people living in the UK and around the world. Many of them have seen horrific
acts of abuse take place against friends and family or have been the victims of unspeakable crimes themselves. Human rights, the rule of law and reconciliation must be given the full weight and backing of the international community to force the Sri Lankan Government to speed up their work in this area.

In this week, when the UK has had to reflect on the devastating impact of a botched intervention in Iraq, it is worth reflecting on the consequences of failing to act when human rights abuses occur. There is absolutely no doubt in my mind that, during the 26 years of the Sri Lankan civil war, as people were being brutalised and tortured in the most appalling ways, the international community chose to look the other way. The House must also reflect on our failure and this country’s failure in looking the other way and failing to act when we arguably could and should have done more.

We cannot turn back the clock, but we can make sure today that we do not fail all the peoples of Sri Lanka again in the future as we have done in the past. With that hope, I hope that the Minister will rise to the Dispatch Box and assure us that the Government will do all they can to ensure that truth justice and reconciliation lead to the bright future for all the peoples of Sri Lanka that we all want to see.

5.18 pm

The Minister of State, Foreign and Commonwealth Office (Mr Hugo Swire): I genuinely congratulate the hon. Member for Ilford North (Wes Streeting) on securing this debate and on his continuing commitment to the all-party parliamentary group for Tamil and its valuable work in maintaining the focus on human rights in Sri Lanka and on Tamil rights in particular. I also thank all hon. Members for their contributions, and I will try to address as many of their points as I can in the time available to me.

This debate comes at an historic time for Sri Lanka. Last October, President Sirisena’s Government took the significant step of co-sponsoring Human Rights Council resolution 30/1. In his update to the Human Rights Council last week, High Commissioner Zeid recognised where progress has been made, identified where more could have been done and set out the need for a comprehensive strategy to make further progress. I fully agree with his assessment.

The Sri Lankan Government’s response demonstrated their commitment to addressing the legacy of conflict. Foreign Minister Samaraweera set out to the UN Human Rights Council on 29 June what his Government would do to fulfil the commitments they made in Geneva last October. Their approach addresses the core issues that have marred Sri Lanka’s history and scarred its society: human rights, reconciliation and transitional justice. I welcome the Government of Sri Lanka’s determination and commitment to deal with these complex and sensitive issues in a comprehensive and systematic way.

We should not, however, underestimate the challenges of dealing with the legacy of a 30-year conflict. Foreign Minister Samaraweera said last week in Geneva:

“Reconciliation does not happen overnight. It requires effort, hard work, commitment, and careful, continuous, concrete action. It is a journey that requires constant striving.”

I wholeheartedly agree. We should remember that Sri Lanka has been on a remarkable journey in the last 18 months, since President Sirisena was elected. The country is, I believe, now in a far better place than anyone could have imagined.

I have spoken before about the striking differences between the Sri Lanka I saw in November 2013 and the one I visited in January this year. The elections last August were the most democratic in living memory, and resulted in the formation of a national unity Government committed to reconciliation and peacebuilding. The constitutional reform process Sri Lanka has now embarked on is an essential foundation for the country’s future stability—a foundation on which to build its democracy, its development and its political reconciliation. The devolution of political authority that the authorities are seeking to enshrine within that process will be crucial for Sri Lanka’s long-term governance and prosperity.

The hon. Gentleman emphasised the need for Sri Lanka to make timely progress on its commitments. At the Human Rights Council session on 29 June, the UK urged Sri Lanka to deliver on those commitments, including by putting in place credible transitional justice mechanisms underpinned by meaningful consultations and effective witness protection. In that respect, we welcome the Government’s announcement that they will establish an Office of Missing Persons. We remain committed to the full implementation of resolution 30/1, and we stand ready to support the Sri Lankan Government to that end.

Although progress has been slower than we and many others had hoped, it has been encouraging to see Sri Lanka’s renewed openness and engagement with the UN. We welcomed Sri Lanka’s invitations to High Commissioner Zeid and various UN special rapporteurs to visit and to discuss torture, disappearances, and the independence of judges. However, we recognise that much remains to be done, in particular in improving the rights of all the country’s citizens.

The hon. Gentleman raised the issue of allegations of ongoing human rights abuses. We have been clear with the Sri Lankan Government about the need to do more. I discussed our concerns with High Commissioner Zeid in Geneva last month, and again with Foreign Minister Samaraweera in London last week. I set out clearly the areas we felt were important for Sri Lanka to focus on: torture, land reform and transitional justice.

Kerry McCarthy (Bristol East) (Lab): Did the Minister have the opportunity to discuss with the Sri Lankan Foreign Minister this week’s announcement that Sri Lanka intends to demilitarise by 2018, which would be a very welcome step? As the Minister will know, the Sri Lankan military is involved in running everything in the north from beauty parlours to hotels to food companies, and dealing with that is an important part of putting the north back on a stable footing.

Mr Swire: The hon. Lady makes a very credible point. I have been to the north twice and seen that for myself. An army has no reason to be in business in a civilian structure or to be on other people’s land, and I will come to that in just a minute.

The hon. Gentleman asked about our funding arrangements to promote human rights abroad. Our £6.6 million three-year conflict, security and stabilisation
funding for Sri Lanka focuses on reform, interfaith dialogue—the hon. Member for Strangford (Jim Shannon), with his ongoing support for Christian communities around the world, will be pleased to hear that—transitional justice, de-mining and anti-corruption. Through the Magna Carta fund and our bilateral programme budget, we are also supporting a number of other human rights and reconciliation projects. Our programmes in Sri Lanka aim to strengthen democratic institutions, support reconciliation and protect human rights.

On land reforms, which the hon. Lady just raised, more land returns are essential, both to build confidence and to allow the resettlement of displaced Tamils. I was encouraged that a further 701 acres were released two weeks ago, and that Foreign Minister Samaraweera has said that the Government have instructed the military to release all land obtained from civilians by 2018. The British Government are clear that land releases must be accompanied by adequate housing and support for resettled communities. We continue to support de-mining programmes, one of which I have seen, and housing and resettlement through our contributions to multilateral agencies.

We will continue to encourage the Government of Sri Lanka to prioritise the reform of their security sector, not least with the repeal of the Prevention of Terrorism Act. All forms of sexual and gender-based violence and torture must be addressed. The President has taken steps to address this and has issued guidance to all security forces that emphasises the absolute prohibition of torture or other ill-treatment, including sexual violence. The Government, with our assistance, are also putting in place training programmes for the police and other measures aimed at combating and eliminating torture. This includes addressing the need for the prosecution and conviction of perpetrators.

There are other areas of concern. These include issues of freedom of speech and movement, the remaining detainees held under the Prevention of Terrorism Act and the continued involvement of the military in commercial life in the north. Through diplomatic pressure and targeted projects, we will continue to encourage the Government to address these issues.

The hon. Member for Ilford North highlighted the issue of international involvement in the prosecution of war crimes. The British Government have always been clear that any accountability mechanism needs to be credible and meet international standards. We therefore welcomed Sri Lanka’s co-sponsorship of UNHRC resolution 30/1. We have reiterated our commitment to its full implementation on a number of occasions, most recently in Geneva last month.

Wes Streeting: Very briefly, will the Minister give his reaction to the remarks of the President and the Prime Minister in refusing to implement those aspects of the resolution specifically about international involvement in the prosecution of war crimes?

Mr Swire: I agree with the hon. Gentleman that to reassure the communities in Sri Lanka and to show the international community that this is a credible process, there needs to be an international element. That is what we continue to stress with the Government, with Ranil Wickremesinghe, the Prime Minister, with Mangala Samaraweera, the Foreign Minister, and through Prince Zeid. I am hopeful that the message is getting through and think that something will happen in that respect.

The hon. Gentleman also asked about the asylums return policy; this is important. The Home Office country information and guidance on Sri Lanka was updated in May 2016, and we will have further discussions with the Home Office on these issues.

The United Kingdom remains committed to supporting Sri Lanka to take further steps towards peace and prosperity for all its citizens. We do so in a spirit of friendship and co-operation, and I am proud of the role that the UK continues to play. That includes, as the hon. Gentleman was generous enough to say, the visit to the north of that country by the Prime Minister during CHOGM, which I believe began to unlock this process. There are many challenges ahead and progress may be slower than some of us would hope, but we will continue to build on the good work done so far and help Sri Lanka stay the course, for the benefit of all its people.

Question put and agreed to.

5.29 pm

House adjourned.
As Iran seeks greater integration with the international community, it is appropriate that we remember those harsh realities. Amnesty International said:

“The surge in executions reveals just how out of step Iran is with the rest of the world when it comes to the use of the death penalty—140 countries worldwide have now rejected its use in law or practice.”

Today, there are those who argue that those abuses are efforts by the hardliners in Iran who control the security organisations and the judiciary to undermine the moderate Rouhani’s reform-minded Government, who seek a more open relationship with the world. I reject that view. Such an assessment fails because it suggests that there are more powerful forces in Iran than the President, which, in turn, means that Rouhani’s position is merely symbolic and that he is thus incapable of initiating reforms. Most importantly, it ignores the fact that neither Rouhani nor his Government have ever publicly condemned and distanced themselves from executions and the use of public hanging. On the contrary, Rouhani has explicitly supported the use of the death penalty. In a speech in April 2004, he described executions as the enforcement of “God’s commandments” and “laws of the parliament that belongs to the people.”

Those comments show that Rouhani’s views on executions and human rights abuses converge with those of the Supreme Leader and the judiciary. In addition, they expose the fact that there are no forces inside the current ruling theocracy that want to abolish the use of execution and arbitrary arrests. That comes as no surprise to many of us who recognise the real problems with Iran. One should remember that the notion of a moderate force emerging from within the regime is not a new phenomenon. That illusion emerged during the Khatami era in the late 1990s when a policy of appeasement with Tehran based on incentives and economic interests was proposed.

Mr Mark Williams (Ceredigion) (LD): I congratulate the hon. Gentleman on securing this debate. What he is saying is backed up by what happened to Mr Mousavi in the green revolution. Although he was no great reformer, there were glimmers of hope, and they have been dashed. I think that that gentleman is still under house arrest.

Dr Offord: The hon. Gentleman is absolutely correct. I pay tribute to the work that he undertakes on this important issue; he attends conferences in other parts of the country. He is correct to say that there have been people who were considered reformers, but whose efforts have been dashed and whose activities have been curtailed, and they have not been able to provide any kind of glimmer of hope. I will talk more about that later in my speech.

In the month after the nuclear deal, there was a wave of arbitrary arrests of human rights defenders, union activists, dissidents, journalists and dual citizens on bogus national security changes, based on propaganda. I will highlight three cases in which the victims received long prison sentences and are under severe pressure by the Iranian authorities in prison. Mr Suleh Kohandel was arrested in 2007 and sentenced to 10 years in prison for supporting Iran’s democratic opposition, the People’s Mujahedin of Iran. His crime was to support a vision of
a free and democratic Iran, where torture and capital punishment is abolished. In a letter from the prison in May, Mr Kohandel wrote:

“My only crime, in their view, are my political activities, and for this reason I have on many occasions been transferred to the Ward run by the Intelligence Ministry and spent months under torture in solitary confinement.”

Another case of grave concern is that of Mr Jafar Azimzadeh, a labour activist who has been on hunger strike for nearly two months in Evin prison. He has been protesting against his unjust imprisonment and the suppression of ordinary workers, including the non-payment of their salaries. Mr Azimzadeh’s life is at serious risk, as his condition is deteriorating every day. Just last month, the judiciary in Iran sentenced the human rights defender, Ms Narges Mohammadi, to 16 years in prison. According to reports, she has been detained and denied her medication—a necessary treatment—as a means of torture.

Those three political prisoners and prisoners of conscience are at risk of losing their lives in prison if the international community does not intervene to secure their release. In fact, their condition is so serious that a group of UN human rights experts, including the UN special rapporteur on Iran, recently denounced the denial of adequate medical treatment to political prisoners as unacceptable. They said:

“The condition of several prisoners of conscience with serious health problems has been exacerbated by their continued detention and by repeated refusals to allow their access to the medical facilities and treatment they so urgently require.”

Mr Alistair Carmichael (Orkney and Shetland) (LD): The hon. Gentleman is making a very measured but highly compelling case. He is absolutely right to highlight the position of those who are, as he puts it, prisoners of conscience and political activists. For many in Iran, it is not necessary to challenge the state, other than to hold one’s own beliefs. I bring to his attention the position of those who are, as he puts it, prisoners of conscience. They are described as “prisoners of theIRGC” by officials of the security forces, through the Supreme Leader’s “providing social and moral security”

Dr Offord: I am very grateful for that intervention. I did not intend to cover that issue, but I am aware of it. I have received representations from the Baha’i community about the repression and human rights abuses that they face in Iran. I am covering a lot of issues as it is, so I am grateful that the right hon. Gentleman put that on the record.

Those politically motivated arrests occurred in parallel with a series of arrests of women and youths for mal-veiling, posting indecent photographs on social media, and inciting and encouraging others to commit breaches of public decency. Such examples demonstrate the arbitrary character of charges against ordinary citizens in Iran, regardless of faith, which, together with the high number of executions, has no other purpose but to intimidate and to create an atmosphere of fear in society.

In January, the US Secretary of State, John Kerry, who has had a great deal of interaction with Iran, spoke in Davos about that, the activities of the Islamic Revolutionary Guard Corps and, specifically, the effect on finance and resources of the lifting of sanctions:

“I think that some of it will end up in the hands of the IRGC or of other entities, some of which are labelled terrorists to some degree”.

The IRGC consists of the people who reinforce the law within the country, and many describe it as not only a revolutionary force but a direct arm of the state. That is of great concern, in particular given Rouhani’s remarks:

“The IRGC has always been a pioneer for solving the crises of the country. Today the IRGC is not only responsible for the country’s security, but also for the security of the countries that need Iran’s help, and it is courageously present in all those scenes”,

as I have described. Under the constitution, the IRGC and its various units are tasked with “defending and exporting the Islamic Revolution”, as defined by the ruling theocracy. Sadly, however, the IRGC is to be the main beneficiary of the billion dollars in sanctions relief promised to Tehran under last year’s nuclear deal.

On 8 May, in a speech to the members of the security forces, Supreme Leader Ali Khamenei expressed fright about social discontent and the possibility of popular uprisings in the country, calling for further repressive measures—just as the IRGC were to receive more funds from the Rouhani Government under the current budget.

Mike Freer (Finchley and Golders Green) (Con): I congratulate my hon. Friend on securing the debate, and I pay tribute to his work in representing the Iranian community in north London.

Many of us were encouraged to support the lifting of sanctions in order to see a thaw in the repression of the regime. Given the acceleration in the use of the death penalty, the continued persecution of women and minorities, and the crushing of the opposition, however, does my hon. Friend agree that we have been duped?

Dr Offord: I am cautious about responding, because I believe that the Minister and the Government sought a solution with the best intentions. The Iranian Government did not comply with the agreement or take part in the negotiations in the same spirit, so I am reluctant to condemn the actions of my hon. Friend the Minister, who has worked hard on this—

Mike Freer: To clarify my point, our Government acted in good faith, but the Iranian Government did not.

Dr Offord: I certainly agree with that sentiment. As we have seen in previous negotiations with Mr Rouhani, he did not approach them in the same fashion as our own Government did.

Khamenei described security as a “high priority” for his country, saying that it demanded serious supervision by officials of the security forces, through the “sound mind, acts and morals of the staff.”

He stressed “providing social and moral security” for the people. Given such realities, the Supreme Leader’s call for more repressive measures should alarm the British Government into reconsidering its policy towards Iran, especially on human rights. Many Iranian experts and human rights activists believe that the domestic repression is an integral part of the ruling theocracy
and its ability to secure its grip on power. I and many of my colleagues in all parties in this House share that assessment.

All politics are local and when the regime carries out appalling atrocities such as public hangings and floggings on a systematic basis, it only alienates and angers the citizens. Surely every Iranian leader understands the benefits of stopping the executions and the boost that such a decision would have for their image globally. Yet the Iranian leaders refrain from such a constructive move and even step up the appalling atrocities, risking an outcry of international condemnation. Iranian leaders, including Rouhani, are shooting themselves in the foot—not because they like it, but because the survival of their theocratic system depends on those actions.

The simple conclusion is that the survival of the ruling theocracy puts Iran’s President and leaders in diametric opposition to the interests of millions of Iranians and, in particular, the two thirds of the population who are under 30, trying to overcome repression and dreaming of a free and open society. Our Government’s policy on Iran cannot ignore or underestimate those realities, as we have so far under previous Governments. To do so would have severe consequences for the Iranian people, the region and, by extension, our own interest in the region and the wider middle east.

I therefore welcome the Government’s serious concerns about Iran’s use of the death penalty, as highlighted in the Foreign and Commonwealth Office’s corporate report on Iran published earlier this year. I am encouraged by the fact that the Government recognise that the human rights situation continues to be dire since Rouhani took office, and is worsening in many areas, which is in line with the findings of the United Nations special rapporteur on Iran, Dr Ahmed Shaheed.

I am also delighted that the Government decided to support the latest resolution on Iran in the UN General Assembly’s third committee, which criticised the systematic human rights violations in the country. In November last year, Baroness Anelay, in a statement following the resolution, said:

“Significant concerns remain about Iran’s clampdown on some of the fundamental freedoms of its citizens, including freedom of religion and belief and freedom of expression, as well as the increasing number of executions.”

I have no doubt that the Government and the Minister will agree that the time for concrete and verifiable improvements in Iran, especially on human rights, is long overdue. We want to see such improvements on human rights in the country, including freedom of expression, as well as those citizens, including freedom of religion and belief and freedom of expression, as well as the increasing number of executions.”

I have no doubt that the Government and the Minister will agree that the time for concrete and verifiable improvements in Iran, especially on human rights, is long overdue. We want to see such improvements achieved by the Iranian people, because they would be in our interest. On that issue, we are on the same page and, I suspect, many colleagues will concur with Baroness Anelay that it is time for words to be translated into actions. As such, the UK, given its permanent status on the UN Security Council and its strong voice at the UN Human Rights Council can and should take the lead on the international scene in order to secure the concrete actions called for by the FCO with regards to advancing and promoting human rights in Iran.

Dr Offord: I congratulate my hon. Friend on his work with regard to this cause. As I said, I regret the decision of our Government and of overseas Governments, including that of the United States, to decouple the issues of human rights abuses and Iran’s support for terrorism from the nuclear negotiations. I remain concerned in particular about the funding of the IRGC and, indeed, where such funding is then heading. Many of us are aware of IRGC funding activities in support of terrorism in countries such as Syria and Lebanon. That remains a huge concern for the overall peace and security of the middle east. I very much concur with my hon. Friend. I have to say that the present President of the United States was keen to gain a nuclear deal at any cost. I also agree with the Prime Minister of Israel, Benjamin Netanyahu, that said it would be better to have “no deal”, rather than “any deal”.

Another major concern for many Iranians and, in particular, for many of my constituents are the crimes committed against the residents of Camp Liberty—formerly Camp Ashraf—who have suffered seven deadly attacks. On 29 October 2015, Camp Liberty, north of Baghdad airport and the place of residence of Iranian refugees, was attacked by at least 80 missiles, launched by the Iranian regime’s agents. Twenty-four residents lost their lives, and a large section of the camp was destroyed. I am grateful to the Minister, and I wish to place my gratitude on the record: I contacted him after that outrage, and he reassured me that he would provide assistance wherever possible. Camp Liberty remains a great concern for many of my constituents, who have relatives and friends in the camp. The issue of the camp is tied to human rights abuses in Iran, and it is also an international tragedy. The international community should take more action.

In my conclusion, I would like to make the following recommendations to the Government—I look forward to hearing from the Minister on how we can help them to implement and promote policy recommendations. First, the UK should publicly name and shame those Iranian leaders who are known to be responsible for the ongoing atrocities and human rights abuses in Iran and impose punitive measures against those leaders and institutions, such as the IRGC and the Supreme Leader. These people are committing and encouraging repressive policies.

Secondly, the UK should bring Iran’s appalling human rights dossier to the UN Security Council for a review so that Iranian leaders committing heinous atrocities can be prosecuted in international tribunals. That is particularly important, because that establishes justice for the millions of people who are victims of the regime’s repression in Iran and reminds the Iranian authorities that they cannot blatantly ignore the recommendations of the UN resolutions—their actions include banning the UN special rapporteur for Iran from visiting that country—without consequences.

Thirdly, the UK Government should make relations with Iran contingent on concrete and verifiable improvements on human rights in the country, including
but not limited to an immediate halt of executions, torture and arbitrary arrests, and the release of all political prisoners. Fourthly, the safety and protection of Camp Liberty residents must be guaranteed until they all depart from Iraq, and there should be support for host countries—especially Albania—in making their relocation possible.

The message to the Iranian regime should be simple: the UK stands with the millions of Iranians who want their Government to act in a civilised manner, not to be a backward-striving theocracy that survives on repression, barbaric punishment and terrorism. I and many of my colleagues from both Houses of Parliament have on many occasions urged the Government to recognise and support Iranian dissidents and activists who are advocating a free and democratic Iran. Those individuals struggle against the current theocratic regime in Iran, despite enormous personal sacrifices and threats to their lives, to establish an Iran where capital punishment, torture and persecution are abolished and prohibited by law. I am grateful to those who have come to the Public Gallery to listen to the debate and who play an active part in that. I pay tribute to them.

Sir Roger Gale: Sir Edward, you have been—and I trust will be again—a distinguished member of the Parliamentary Assembly of the Council of Europe, so you will know as I do that the People's Mujahedin of Iran leader, Maryam Rajavi, has appeared at the Council of Europe on many occasions. At present, she is not allowed to meet here in London with FCO representatives. Does my hon. Friend agree that it would be very helpful indeed if the FCO were to agree to meet Maryam Rajavi here in London, to hear what she has to say?

Dr Offord: Sir Edward, you must think that this debate has been co-ordinated because some contributions from other Members have been on issues that I have not touched on but certainly agree with. I would welcome the FCO lifting the ban on Maryam Rajavi to enable her to come to this country, explain her position and illustrate what measures can be taken to promote peace and security in Iran.

In fact, I will go on to Maryam Rajavi's 10-point plan and its benefits. As my hon. Friend said, Mrs Rajavi presented her plan at the Council of Europe in 2006, which is a time I am sure you will remember, Sir Edward. I would be surprised if any Member of this House or the other House could find any point that they would object to in that plan, which, most of all, includes supporting the commitment to abolish the death penalty, which we all agree with. It also supports complete gender equality in political and social rights and specifically a commitment to equal participation of women in political leadership. Any form of discrimination against women would be abolished and women would enjoy the right to choose their clothing freely. It also includes a modern legal system based on the principles of presumption of innocence, the right to defence and the right to be tried in a public court, the total independence of judges and the ending of cruel and degrading punishments.

Those are just three of the points in the 10-point plan and I will not test the patience of the House by going through them all, but I have no doubt that the Minister, and indeed the Government, want to see those values established and promoted in Iran and the wider middle east. Failure to put Iran’s human rights abuses and support for terrorism at the centre of our Iranian policy will only harm our interests in the region and destroy our reputation, simply because such a policy will project weakness and advance the terms dictated by the regime in Tehran. I hope that, following this debate on human rights, we will play our part in ensuring that we help and support the Iranian people to establish these democratic values and principles in their country sooner rather than later. I dare to say that such a policy that backs the Iranian people and their democratic aspirations will have strong support from both Houses, the Iranian people and the Iranian diaspora.

9.55 am

Jim Shannon (Strangford) (DUP): First, may I congratulate the hon. Member for Hendon (Dr Offord) on setting the scene comprehensively for us? As he rightly said, the interventions added to that. As Members would expect, I will speak about two particular groups, the Baha’is and Christians. The Minister will know my stance on these issues, but it is important that we make these points clear in this House.

Iran is the powerhouse and major player in the middle east. It is the leading power in the region, yet there is still systematic oppression of minorities, particularly the Baha’i community. Incitement to hatred has been one of the major tactics used to encourage violence against the Baha’is. The regime has attached extraordinary importance to the demonisation of the Baha’i and turning Iranians against their own compatriots.

The incitement occurs at the highest levels of the Government, including the direct participation of the Supreme Leader, Ayatollah Ali Khamenei. The propaganda has become increasingly imaginative, weaving together a broad and often contradictory spectrum of inflammatory accusations in absurd combinations that attribute every conceivable evil to the Baha’i, including but not limited to espionage for Israel, promiscuity, armed rebellion, cult-like practices, opposition to the Government and animosity towards Islam.

An example of just how effective Government oppression has proved to be is the recent simple visit of Hashemi Rafsanjani’s daughter Ms Faezeh Hashemi to one of the seven Baha’i leaders, Ms Fariba Kamalabadi, who was on a five-day furlough. That visit generated controversy in Iran second to none. Such a simple, friendly gesture caused a high-ranking figure to describe friendly relations with Baha’i as treason against Islam and the revolution. He stated that “consorting with Baha’i is friendship with them is against the teachings of Islam”.

We cannot and should not stand idly by and such comments happen anywhere in the world, let alone in such a powerful and influential state. We have members of the Baha’i community here today, and we want to make it clear to them that the House will speak as strongly as we can for them. For too long Iran has been let off the hook, but with a thaw in the heated relations with Iran, now is the time to precondition our relations with the state on the basis that it signs up to and implements values that the United Kingdom and the international community can accommodate.
Back on 21 April I asked the Leader of the House in business questions about the nuclear agreement with Iran, one condition of which was that human rights, including religious freedom, would be preserved and protected. It is clear that that has not been the case, and we will make that point in our contributions today. At that time we sought a statement or debate on the subject, and now we have a chance to have that debate. We look forward to the Minister’s response.

We need assurance that there will be religious freedom for all in Iran. Some 1,000 religious prisoners detained because of their faith or minority status are currently in prison in Iran on death row. The regime has gone as far as to appoint a death panel to expedite the implementation of death penalties for prisoners on death row, yet the world remains absolutely silent.

There are 475,000 Christians in Iran, which has a population of 80 million. Iran is No. 9 in the 2016 Open Doors world watchlist of the most oppressive regimes. Converting from Islam is punishable by death for men and life imprisonment for women. There are many people in the Public Gallery from Iran or who have Iranian history, with ancestors and family members out there, and we want to make the case for them on behalf of their and our brothers and sisters in the Lord Jesus Christ.

As I said, converting from Islam is punishable in Iran by death for men and life imprisonment for women. Those considered ethnic Christians, such as Armenians or Assyrians, are allowed to practise their faith among themselves, but ethnic Persians are defined as Muslim, and any Christian activity in the Persian language, Farsi, is illegal. Underground churches are increasingly monitored, which makes some people afraid to attend, and at least 108 Christians have been arrested in the past year. Interrogation methods in prison can be harsh and sexually abusive both to men and to women. Acid attacks on women are, at times, a weekly or daily occurrence. Such blatant, direct and indiscriminate attacks on Christians cannot go on. The UN resolution welcomed pledges by Iranian President Hassan Rouhani on “important human rights issues, particularly on eliminating discrimination against women and members of ethnic minorities, and on greater space for freedom of expression and opinion.” However, we do not see that happening; indeed, we see the very opposite.

The alarmingly high frequency of use of the death penalty is often mentioned. Iran continues to execute minors, in violation of international conventions. It has also been noted that there have been juvenile executions for offences that are not considered the most serious crimes. There is clear and regular violation and discrimination against Baha’is, Christians and young people, so we cannot let things go on as they have.

The regime has at least 60 repressive institutions in the country, including several types of anti-riot agencies, several for torture and at least 12 others for filtering websites and controlling emails. Not only has the regime in Iran meddled in the affairs of Iraq, Lebanon and Gaza, but it has even interfered with the BBC Persian TV service, which experienced deliberate interference from within Iran from the first day of the 2009 Iranian presidential election.

Iran’s abhorrent record and contempt for human rights are not just confined to its own state. It exports those things and attempts to implement them beyond its borders. The evil regime in Iran tries to inflict its poisonous ideas on other countries not too far away. Globally, commentary and discourse on the nuclear deal suggests that Iran is joining the civilized world. That was the hope, but the reality is different. The evidence clearly stacks up to suggest the exact opposite. Iran may be seeing an improvement in its relations with the West, but it is not through commitment to human rights or an improvement in the regime’s conduct. We must remember that it is a regime, not a Government or a beacon of democracy. It is a regime that is still, in this day and age, oppressing people within and outside its borders.

Despite the election of a so-called moderate as President, the reality is that the regime remains in charge. Our ally the United States of America lists Iran as a state sponsor of terrorism, and Iran is a sworn enemy of Israel and has repeatedly and consistently ignored UN demands that it curtail the nuclear development needed to build weapons of mass destruction—let us forget its capability in that regard. As the Prime Minister of our strong and indispensable ally Israel put it, the deal “reduces the pressure on Iran without receiving anything tangible in return, and the Iranians who laughed all the way to the bank are themselves saying that this deal has saved them.”

It is with great dismay that we are having this debate and making such clear statements on behalf of Christians and Baha’is, and others who are oppressed in Iran. Our closest allies are worried; minorities in the region or anyone who dares to speak out live in fear; human rights are out the window; and power is all that the regime seems to have any regard for. We need to keep a much closer eye on Iran and put pressure on it. We need deals that are carried out, and we need to make sure that the commitment to human rights is carried out and that equality exists in Iran as it has not so far. We need to up the pressure on the regime for its inexcusable actions if we are ever to be able to consider Iran a worthy partner within the international community.

I apologise to you, Sir Edward, and to the Minister and Shadow Minister, for the fact that I must attend a meeting of the Select Committee on Defence at a quarter past 10.

Mr Mark Williams (Ceredigion) (LD): It is a privilege to serve under your chairmanship this morning, Sir Edward. I again congratulate the hon. Member for Hendon (Dr Offord) on securing this important debate on the desperate human rights situation in Iran. Like him, I have attended the annual gatherings in Paris sponsored by the National Council of Resistance of Iran. I draw the attention of the House to my entry in the Register of Members’ Financial Interests. At those meetings there are always many opportunities to talk to Iranian exiles from around the world. Perhaps 100,000 people go to those gatherings whose families have direct experience of human rights violations. All too often they have been denied the opportunity to communicate with family at home in Iran, for fear of repercussions; and, indeed, we meet people who have experienced persecution themselves.

The central charge made by all those who have spoken so far, and which will no doubt be made by those who speak later, is that the Tehran Government have completely failed to live up to international obligations on the most
basic human rights. In 2013 Hassan Rouhani was elected—a supposed reformer. I use that word loosely, as I do the word “election”, because it is worth remembering that candidates are filtered by the Guardian Council. That was also the story of the 2016 parliamentary elections. They are not free, democratic elections as we know them. Despite the election of a supposed reformer, the situation has continued to deteriorate. According to Amnesty, nearly 1,000 people were hanged in Iran in 2015, as we have heard. That is the highest number of executions per capita in the world, and it has led Amnesty to describe the rate of executions as “a horrific image of the planned state killing machine”.

The UN special rapporteur on Iran recently announced the rate of hangings as the highest for 27 years, exceeded only by the period immediately after the 1979 election and the removal of the Pahlavi dynasty.

A matter of particular concern—although everything we have heard is a matter of concern—is the breaches of the convention on the rights of the child, which was ratified by the Iranian authorities in July 1994. Yes, that was a welcome step at the time, if it meant anything; yet since that ratification there have been 81 identified cases—there is a strong, and I think firm, suspicion of many more—of people under the age of 18 being put to death. I reiterate the point about how the situation is escalating: 24 of those juvenile murders have happened since Rouhani came to power, including the case of Alireza Tajiki, who was arrested at the age of 15 and sentenced to death in 2013 on the basis of confessions obtained by torture in the notorious Evin prison. It was notorious under the Shah, but my goodness it is notorious under the present regime as well. Mercifully, through the actions of NGOs such as Amnesty the execution was postponed 24 hours before Alireza Tajiki was due to be hanged. Another instance was the case of Mohammad Reza Haddadi, sentenced for crimes that, again, he committed at the age of 15. He has spent 12 years on death row, and his execution has been postponed six times.

In the spirit of the belief that freedom of religion is the birthright of all of us, of all faiths, wherever we live, it is wholly appropriate to talk about the Baha’i community. As we have heard just now from the hon. Member for Hendon. The imprisoned union activist Jafar Azimzadeh has been on hunger strike for nearly two months in Evin prison. His crime was that he wrote an open letter to the regime’s deputy Minister of Labour, expressing concerns about workers’ rights. We have heard about the families of the Iranian dissidents in Camp Liberty, such as the political prisoner Saleh Kohandel, languishing in jail because of support for loved ones in the camp. That is a day-to-day reality for Iranians. I have been involved in campaigns for human rights in Iran over the past 11 years, and one of the sadnesses has been the extent to which the media in this country are not mindful of the issues and do not publicise them. There was a flurry of publicity when the green revolution supposedly was happening, which I alluded to in my intervention, but the world media are too quiet on these issues. They need to be highlighted.

The violations will be condemned by everybody in this Chamber. Every year, the United Nations General Assembly adopts a resolution condemning Tehran’s human rights abuses and making recommendations for improvement. Every year, those recommendations are routinely ignored by Tehran. There has been talk—indeed, more than talk; there is practical evidence—of Iran being brought in from the cold, but I urge the Minister to continue his work. This is nothing new; he has a sound record on championing human rights around the world, but he must continue to ensure that human rights abuses are discussed in the international arena. They should be discussed, as we have heard, at the UN Secretary Council. Those found responsible for the ongoing atrocities—there is a list—should be referred to the International Criminal Court, to face justice. Will this Government make improvements in our relationship with Iran contingent on the end of well-catalogued human rights abuses, religious intolerance, executions and torture?

Our approach to Iran should include an active and direct dialogue with opposition groups committed to democratic change and the most basic human rights that should be common to any civilised society. The debate has moved on. I hope the Foreign Office is mindful of that; it should be. When I first came to this House, the People’s Mujahedin of Iran was a proscribed organisation. The Foreign Office justified that proscription. That proscription was lifted. It has been lifted throughout the world. People understand that the PMOI and Madam Rajavi are fighters for democratic change. That is what she has said, and it is reinforced by the 10-point programme we have heard about.

Sir Roger Gale: That proscription was, of course, only lifted following a High Court action. It is believed that there is an underlying concern in the FCO that, although proscription has been lifted, in fact, technically it is still there.

Mr Williams: I congratulate the hon. Gentleman on that intervention. He is right. I have said in debates in the past that there is a grudging acceptance by the FCO that the proscription has been lifted. I deeply regret that there has been a reluctance from the Foreign Office to rise to the terms of that de-proscription. One way it could rise to that challenge would be, as we have heard,
to allow President-elect Maryam Rajavi at least to come and talk to the Foreign and Commonwealth Office. It was rather strange when a few years ago, a Committee room was booked in the name of the former Crown Prince of Iran, who came and talked to some of us. We listened to what he had to say about his democratic message, and yet Maryam Rajavi—who has a big mandate from many Iranian people in the country and in exile—has been denied that opportunity. I hope the Minister will reflect on what the hon. Member for Hendon and others have called for, with regard to a visit in the future.

Iran was once labelled “the great civilisation” by one of its former leaders. Closer analysis showed that it was not a particularly great civilisation in the years preceding 1979. If it was not a great civilisation then, my goodness, it is not a great civilisation now. Its people are denied the most basic human rights, and that must change. I think we will have the consensus of this Chamber on that, and I hope that that includes the Minister.

10.15 am

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): It is an honour to serve under your chairmanship, Sir Edward. I congratulate the hon. Member for Hendon (Dr Offord) on securing this important debate.

About three weeks ago, I led a debate here in Westminster Hall on human rights in Saudi Arabia. As I return to speak of the record of another middle eastern country, I am mindful that these past few weeks in British politics have not exactly been our finest moments. Present at that debate three weeks past was the late Member for Batley and Spen (Jo Cox), who was a fierce human rights advocate. I have no doubt that she would have joined us today. She and her family are very much in my thoughts.

Practically all political discourse at the moment is consumed with the implications of the vote to leave the European Union. Our place in the world is shifting and in a period of redefinition. It is important that we do not just spend the next two years navel-gazing. As the United Kingdom—or some of it—exits the EU, it must address and take firm international community, it must address and take firm representations have been made to Iran regarding freedom of press and those who find themselves imprisoned for their journalism.

The troubling nature of Iran’s repressive policing of the press forms part of our wider concerns relating to human rights in general in Iran. The rights to freedom of expression, association and peaceful assembly are similarly inhibited. According to the October 2015 report of the UN special rapporteur on Iran, “the judiciary continues to impose heavy prison sentences on individuals who peacefully exercise these rights.”

In a report earlier that year, the UN Secretary-General expressed concern at the shrinking space for human rights defenders, who continue to face harassment, intimidation, arrest and prosecution.

 Freedoms are being oppressed not only on the streets but online. Amnesty International reports that the Iranian Ministry of Communications and Information Technology has announced the second phase of intelligent filtering of websites deemed to have socially harmful consequences, and arrested and prosecuted those who used social media to express dissent. In June, a spokesperson for the judiciary said that the authorities had arrested five people for anti-revolutionary activities using social media and five others for acts against decency in cyberspace. Amnesty International also reported that three opposition leaders remained under house arrest without charge or trial, and that scores of prisoners of conscience continued to be detained or were serving prison sentences for peacefully exercising their human rights, including journalists, artists, writers, lawyers, trade unionists, students, activists for women’s and minority rights, human rights defenders and others.

According to the Amnesty International 2015-16 report, the Iranian Parliament had debated several draft laws that would further erode women’s rights, including a Bill to increase fertility rates and prevent population decline, which would block access to information about contraception and outlaw voluntary sterilisation. Even more worryingly, Amnesty reported that women and girls remained unprotected against sexual and other violence in Iran, including early and forced marriage.

The human rights situation in Iran continues to cause the Scottish National Party deep concern. When our parliamentary delegation, led by my right hon. Friend the Member for Gordon (Alex Salmond), visited last December, it raised the issue of human rights at every opportunity and in every ministerial meeting with Iranian authorities. I will leave it to the Minister to give us more information today about similar recent efforts from the Foreign Office.

Now that Iran has taken small steps to return to the international community, it must address and take firm action on those grave human rights issues. That will not happen overnight, but only with constant effort and mature engagement and dialogue.

10.21 am

Sammy Wilson (East Antrim) (DUP): It is a great pleasure to serve under your chairmanship, Sir Edward, and to congratulate the hon. Member for Hendon (Dr...
Offord) on securing this important debate. Many of us will have had this issue drawn to our attention in our constituencies, and I thank the many individual Christians, church groups and members of the Baha’i faith in my constituency for bringing their concerns to the fore. Of course, some of the tireless campaigners we run into almost on a weekly basis here in the House of Commons are in the Public Gallery listening to the debate. They continue to highlight the issues that concern them about the treatment of people in Iran.

I am not going to go over all the grievances that have been highlighted today. Suffice it to say that we have heard about the range of human rights abuses by the Iranian regime not just against minorities but against the majority of the population. We have heard about the abuses and restrictions on women, the restrictions placed on people who hold religious views that the regime does not agree with, and the actions that are taken against those people. They include everything from systematic discrimination in work, employment, education and even their social activities to the increased use of the death penalty, and those of us who live in a society as free as ours find the idea of the public mutilation of individuals who happen to have fallen foul of the regime incomprehensible.

I do not want to go through the details of individual cases, many of which have been drawn to my attention by constituents, or the catalogue of cases that have been well documented in this debate, but I want to raise some issues with the Minister. Given the number of times he has answered questions on the matter in the House of Commons and the responses that we as constituency representatives have received from him, I have absolutely no doubt that the Government are committed to dealing with this issue. However, I am not so sure that that commitment has not sometimes been held back by political reticence, because of the impact that it may have on other dealings that they wish to have with the Iranian regime.

I note the terms used so many times in answers that the Minister has given in the House. They are things like “We have made the strength of our opinion known,” “We have made strong representations,” “We have made clear to Iran,” and “We have repeatedly called on the Iranian Government”. All that is fine, but one thing we must learn from dealings with the Iranian regime is that the only time that it really began to engage was when it was being hurt by sanctions and by actions that had an impact on it.

I therefore have a number of things to say to the Minister. By all means make representations and highlight abuses, because official reports from the Foreign Office and so on have an impact, and of course raise these issues in the international bodies of which we are members. Despite what has been said about the Brexit debate and everything else, we still have influence in the world and it is right to use it, but that influence will be effective only if words are accompanied by actions, and I would like to see our Government doing a number of things.

First, as has been mentioned, the human rights abuses are well known and the people behind them have been identified. Surely we ought to make sure that those individuals are named, brought before the international court and dealt with. Whether they are dealt with in their absence or by being brought before the court, a clear message should go out to them: “You cannot hide behind the cloak of the regime. You as individuals will be held responsible, and we will have no reluctance, regardless of how important you are in the regime and how much influence you have, to make sure that you are dealt with for the way in which you have treated people within your own country.”

Secondly, we know that sanctions hurt and are important in stopping the Iranian regime not only carrying out abuses in its own country but spreading its malign influence to other countries. The lifting of sanctions has given the Iranian regime the ability to carry out activities in Syria and other parts of the middle east. We therefore ought to make it clear that despite the nuclear deal, there are other issues that concern us. Just as sanctions were imposed because of Iran’s dealings and actions on the procurement of nuclear weapons, sanctions can be used if human rights abuses are not stopped. That clear message must go out when we warn Iran against actions such as it is engaged in at present.

Finally, a clearer message needs to be sent out to the Iranian regime that our Government are prepared to have the closest possible relationships with the opposition groups that we believe have the capability to generate internal opposition to the Iranian regime. We should learn from experience that trying to change a regime without building good relationships with those who may replace it in future can leave a vacuum, which is sometimes dangerous. Such relationships would be another clear message to the Iranian Government that regardless of how annoying or embarrassing it is to them, we will be prepared to work with, deal with and encourage those who are opposed to them. I would like to hear the Minister’s response to those points.

10.29 am

Dr Philippa Whitford (Central Ayrshire) (SNP): It is an honour to speak in this debate. I congratulate the hon. Member for Hendon (Dr Offord) on securing it because the subject really needs to be explored.

A lot of us—particularly those of us in Scotland—were very positive when Hassan Rouhani came to power in 2013, because he studied in Glasgow and we expected him to have a more balanced western approach. He pledged to improve human rights, and he probably contributed in that the nuclear deal was struck last year. Unfortunately, the human rights side has been bitterly disappointing and, if anything, things have got worse. As the hon. Member for Hendon mentioned, almost 1,000 people were executed last year, which suggests that the number is climbing, not decreasing. Two thirds of those executions were for drug offences, which—under international law—we would not consider to merit the death penalty.

I would particularly like to speak about the laws against women. If half the population are considered subhuman, as Ayatollah Khomeini defined women in 1979, there is no chance of having decent human rights for any other group. Women do not have equality. They are considered half the value of a man when it comes to inheritance and to giving witness. If a man murders a woman, the victim’s family have to pay half the blood money. That is an incredible approach to women.
There are laws against women. If a woman does not carry out her nuptial duties, her food, accommodation and money can be withheld. Her husband can stop her working and he can divorce her at will. It goes on and on. Thousands of women have been executed since 1979 and, as was touched on previously, Iran has no qualms about executing people under 18. A point that was not mentioned is that the legal age for executions is 15 for boys but just under nine for girls. That means that a girl approaching nine could be executed, so can be pushed into forced marriage. For boys, it is 15. It is appalling to allow the execution of anyone under 18—obviously, we believe that execution at all is ridiculous—but there is an imbalance.

As well as laws, there are day-to-day attacks on women. Wearing the hijab has been compulsory since 1979, and it is a daily removal of women’s choice. Family planning has not been funded since 2012 and, as my hon. Friend the Member for Rutherglen and Hamilton West (Margaret Ferrier) mentioned earlier, there has been discussion of a law to forbid family planning, in order to increase the population.

In 2014, a law was passed to give impunity to vigilantes who attack women not considered to be wearing a suitable hijab. Shops, restaurants and taxis are advised to refuse those women service. It filters through women’s entire daily lives. They have no protection from domestic abuse or being battered by their husbands. When a women steps out in the street, she will be intimidated by the entire population. What chance do any smaller groups have?

I have challenged the Minister and the Government in the past on our relationship with Saudi Arabia, given that country’s behaviour—executing or mutilating people. We tend to admonish Saudi Arabia or express our discomfort and disquiet at such actions. We need much stronger action than that, particularly with Iran, or we will never get it to mould into or become a decent, balanced society as it comes to join the west. As part of stronger action, we must support the opposition and push for democracy in Iran.

10.33 am

Fabian Hamilton (Leeds North East) (Lab): It is a privilege to serve under your chairmanship, Sir Edward, in a debate that is important, timely and takes us away from our own concerns about our future in the European Union to look at something that is, in many ways, much more profoundly important to millions of people suffering from such a brutal regime as that which exists in Iran today.

We are all grateful to the hon. Member for Hendon (Dr Offord) for securing the debate and I congratulate him on his opening speech. He reminded us that 2,400 people have been executed under President Rouhani’s regime since 2013, and that the numbers have doubled since 2010 and increased tenfold since 2005. That is an appalling record of state-sanctioned murder, which, as the hon. Gentleman said, makes Iran the world’s No. 1 executioner per capita. As Member after Member has pointed out, the record of execution of minors—people under 18, who we would regard as children under our legal and other legal systems in the west—is truly appalling and shocking.

Less than 10 years ago, I was privileged to meet Shirin Ebadi, the great Iranian Nobel laureate—a woman who stood up for her nation and who is an expert in not only legal systems, but the laws of her country, rigged up, by sharia law. Indeed, she can out-explain many of the so-called sharia experts in her country on their own terms. Yet, because she is a woman, she was sacked in 1979, and she has been harassed many times by the regime for speaking her mind.

Shirin Ebadi told us—a group of MPs from the Select Committee on Foreign Affairs—the story of a young courting couple, who were aged over 18 and were caught holding hands in a park. They were unmarried and not related, so they were arrested. A few days after the arrest of their daughter, the parents of the young woman received a call and a visit from the police, saying, “Please come to collect the body of your daughter. She has, in shame for what she has done, committed suicide.” In fact, as was discovered through the post mortem, she had been brutally attacked by the prison guards. She was thrown to the floor, hit her head and died of a brain haemorrhage.

The young woman’s parents engaged Shirin Ebadi, as an expert lawyer, to try to argue the case that their daughter had been inadvertently murdered while in custody. Through their grief, they had to endure their lawyer being accused of all sorts of crimes. The regime brought up an ancient case of Shirin Ebadi not defending a man—an Iranian citizen—who had been refused a visa by a university in the UK. That was dragged up, although it was completely irrelevant to the case. The justice that those parents deserved for the death of their child in custody—for the crime of holding hands with a boy in a park—was never resolved. No justice was ever given.

I tell hon. Members that story because it is an example of the appalling abuse of human rights that Iranian citizens have suffered since the 1979 revolution. Many of us who are old enough to remember that revolution remember the brutal regime of the Shah of Iran—Pahlavi—and the way he abused and brutalised the population simply for speaking out. But is the current regime any better? In many ways, it is far worse than a regime that was condemned the world over for its brutality.

Iranians are some of the best educated people in the world. Given what the hon. Member for Central Ayrshire (Dr Whitford) said about the treatment of women, it is an irony that women in Iran have some of the best higher education results in the world and some of the highest attendance rates and qualifications, yet they are treated as chattels and second-class citizens.

On my visits to Tehran and Isfahan, I came across many people who were dismissive and disdainful of the regime while living in fear of it, but also had a huge thirst for knowledge and education. To my amazement, they regularly listened to the BBC World Service even though that was perhaps illegal, and certainly frowned upon. Their knowledge of the English and French languages was gained from listening to the BBC World Service. Their thirst for talking to foreigners and people from the outside world was huge, as was their engagement. Iran could be a great ally of the rest of the world, and until recently it was one of the world’s most civilised countries—one of the world’s greatest nations—in terms of its culture, art, architecture and music. Iran is an
extraordinary, uplifting and wonderful place, but it is spoiled by the appalling regime that its people have to endure.

Domestic oppression, as the hon. Member for Hendon said, is important for the ruling theocracy to keep Iran’s people under its thumb and to keep the Iranian revolution going. As he said, the UK needs to address human rights abuses in Iran. The hon. Member for North Thanet (Sir Roger Gale) mentioned the lifting of sanctions, which has not delivered an improvement in human rights. We have done a great favour to the regime, but what do we receive in return?

I think it was the hon. Member for Hendon who suggested that we should prosecute the officials who have carried out such blatant human rights abuses, and the Labour party would certainly agree. Relations with Iran should be based on ending torture and executions. The hon. Member for Strangford (Jim Shannon), who is not able to be in his place, made a plea on behalf of Baha’is for us to have a closer eye on Iran and its equality and human rights records. He is a strong defender of religious freedom in other parts of the world, particularly where Christians and other minorities are persecuted for their beliefs, and long may he continue. The hon. Member for Ceredigion (Mr Williams) made some important points. He told us, as we knew already, that elections in Iran are not free and democratic. Rouhani was not elected in a free and fair election because of the way that the candidates were filtered—certain individuals were prevented from standing because they do not stand up for the Iranian theocratic revolution. He said that breaches of the convention on the rights of the child have been legion. At least 81 children have been executed, which I hope the whole world will come together to decry. He said that freedom of religion is the birthright of all of us, but it clearly is not for the people of Iran. He asked whether the British Government will make our relationship with Iran contingent on an end to human rights abuses, as did the hon. Member for Hendon.

I am grateful to the hon. Member for Rutherglen and Hamilton West (Margaret Ferrier) for her thoughts on my close friend and neighbour, Jo Cox, who fought so hard for an end to human rights abuses and for equality for women throughout the world. The hon. Lady told us that Iran has the world’s most censored press, and we hear many stories of journalists being arrested and, worse, tortured and imprisoned simply for publishing criticism of the regime. Without a free media there can be no free society. We are all deeply shocked by the heavy prison sentences given to human rights defenders.

The hon. Member for East Antrim (Sammy Wilson) made an excellent contribution. He said that he has no doubt that the British Government are committed to addressing the issue but that they are perhaps reticent about forging a strong new relationship with Iran in the hope that President Rouhani is somewhat more liberal than his predecessors, which has turned out not to be the case. The hon. Gentleman said that the regime has engaged only when it is hurt by sanctions. We should make it clear that individuals who perpetrate crimes against humanity will be prosecuted. Several speakers have said that we must ensure that those who have perpetrated such appalling human rights abuses are brought to justice under international law.

Will the Minister make it clear whether Her Majesty’s Government will amend their policy on sanctions against Iran? Having been to that country and having seen how sanctions can hurt ordinary people, I have no desire to see such sanctions maintained or reinstated, but we can institute smart sanctions, as they are called, against those individuals whom we hold responsible for abusing human rights. Will he specifically look at Iran’s leadership? That leadership is not just the President; there are many centres of power in Iran that contest with each other for supremacy. Will he look at all of them? We have not debated this issue this morning, but it is important because it relates to human rights abuses in Iran—are the Government concerned that, despite Iran’s signing of the non-proliferation treaty and the promises that the Iranian Government have made to the rest of the world and the International Atomic Energy Agency, Iran continues to try to weaponise uranium rather than use it to generate peaceful civil nuclear power, as it is obliged under the non-proliferation treaty?

Does the Minister believe that the UK and our European allies—if we still have any—can address the appalling and barbaric human rights abuses that we have discussed today? It seems to the Labour party that we need concerted action from not only the UK Government but from the rest of the world to show Iran that we are deeply concerned about the abuse of human rights and the barbaric executions and punishments handed out in the name of Iran’s faith, which many Muslims would reject. Finally, will the Minister update us on the status of the British embassy in Tehran. We have a chargé d’affaires, but are there plans to reinstitute an ambassador?

Sir Edward Leigh (in the Chair): I understand that Mr Grant wanted to say something—I missed him out.

10.46 am  

Peter Grant (Glenrothes) (SNP): Thank you very much, Sir Edward. I apologise for any confusion caused by the late changes that we had to make to our intended speakers.

In the interest of brevity, I will not give a full summing-up speech. I commend the hon. Member for Hendon (Dr Offord) for securing the debate, and particularly on making such positive suggestions about what we might do. It is easy to identify, criticise and condemn horrific human rights abuses in Iran, but much more difficult to come up with ideas that might start to make a difference, although perhaps not as quickly as we might like.

We should identify and target individuals who have clearly committed crimes against humanity, as the hon. Member for East Antrim (Sammy Wilson) said. We should also seek to maintain dialogue with anyone in a position of potential influence in Iran who we think is seeking to modernise and liberalise or can be persuaded to do so. I believe that President Rouhani is in the latter camp, but only just. His rhetoric to date has been encouraging, but his actions have been very discouraging. We need to keep up the diplomatic pressure, as well as the informal pressure that my hon. Friend the Member for Rutherglen and Hamilton West (Margaret Ferrier) mentioned.

We must continue to remind ourselves of why we think we have the right and the responsibility to get involved at all. It is because we are talking about human
rights—the rights of all humanity, regardless of where they live, who they are and what they do or do not believe. We have a responsibility to defend those rights wherever they are being abused, even in countries that spend billions of pounds buying weapons and arms from us and that might be developing the means to threaten us directly—some of the interventions in this debate were possibly pointing to that.

Simply because Iran no longer presents a direct nuclear threat to us, it does not mean that we can ignore the horrific abuses it continues to carry out against the rights of its citizens. Possibly the most chilling aspect of today’s debate has been the number of Members who have been able to speak about completely separate and barbaric abuses of the human rights of anyone who follows or converts to the wrong religion, who is born on the wrong side of the gender divide or who dares to express a political opinion. We would consider any one of those abuses to be an abomination in today’s society, yet they are all happening every day under the Iranian regime.

Finally, we must be careful about getting on too high a moral horse. Many of the human rights denials and violations in Iran that we are rightly condemning now were fairly common practice in these islands not so long ago. It is only 40 years since race and gender discrimination were made illegal, and neither have yet been abolished in our society. Women still cannot genuinely be regarded as being treated with full equality. In my lifetime, someone mentally incapable of understanding the impact of his actions has been executed for murder, and magazines have been prosecuted for blasphemously printing things thought by some Christians to be offensive. Within the lifetime of all of us here, it has been a criminal offence to have sexual relations with someone of the same gender. Although it is right for us to continue to condemn and keep pressure on the Iranian regime, we should do so from a point of view of humility, accepting that some things that we criticise in others were common practice in our own society within our own lifetime.

If anything, that should give us optimism that however bad things are in Iran just now, they can improve. Five years before the East German regime collapsed, I would never have believed that human rights would return to East Germany. There is optimism for Iran, and we should continue to work on it.

10.51 am

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood): I congratulate my hon. Friend the Member for Hendon (Dr Offord) on securing this debate, to which important contributions have been made by Members of all parties. It is a sign of the times that we continue to debate these important matters while keeping in tune with what is happening on the ground in Iran.

As usual, there is not enough time to answer all the detailed questions that I have been asked, as I have only 10 minutes. That is always a frustration for a Minister. However, as I have said in the past, I promise to write to hon. Members with more details on specific questions if I cannot cover them right now.

A couple of hon. Members have enjoyed, or perhaps mocked, the wider picture after last week’s events. I want to make it clear that Britain’s place in the world is undiminished. We are arguably still recognised as the most effective soft power in the world due to our commitment to international aid and our global legacy, not least in the neck of the woods that we are discussing. Our relationship with the Commonwealth is deep, and we are fully committed to NATO. We are the largest military force in NATO, the fifth largest economy and a member of the G7 and the G20. I want to make it clear that our resolve to participate in the world and influence it for the better continues, despite what happened last week.

Whatever negotiations take place—my views on that are clear—we will continue to work with the European Union on matters such as security and Iran. There were two ways of describing the discussions on the nuclear deal, for example: P5+1—the five permanent members of the United Nations Security Council, including Britain, plus Iran—or E3+3. That reflects the fact that countries want to come together to effect change, and not just because they are part of one club or another. Let me make it clear that Britain’s commitment on the international stage, not least in the middle east, continues.

We should reflect on the fact that Iran is a proud and long-standing country with influence in the region. Arguably, it sits at the crossroads of Europe, Asia and the middle east, and it has been the location of successive civilisations. It was the stomping ground of Alexander the Great and Genghis Khan, with each civilisation learning from the next. Britain has its own relationship with Iran, developing from the great game and, more latterly, from the period after the first world war. We should remember the longevity of that relationship, as hon. Members have mentioned. There is a relationship to be had with the people of Persia—of Iran—that is different from the relationship with those in charge. That point is worth mentioning to my hon. Friend the Member for Hendon, who gave a powerful speech.

I see the nuclear deal as a generational opportunity to rebalance the relationship with Iran. It is up to us to decide whether to embrace that opportunity or say, “It’s business as usual. We do not trust the Iranians. We think they’re going to develop a nuclear weapon.” The problem has existed for decades, and this is an opportunity to re-engage with Iran. That is the fundamental point.

We are here to discuss human rights, and this debate has rightly painted a bleak picture of where things are in Iran. We will continue to work together, and I am aware that Iran will be listening to this debate.

Oliver Dowden (Hertsmere) (Con): The Minister mentions Iran listening. I urge him once again to ensure that the Iranian regime listens to the case of Mr Foroughi, a very old man detained on spurious charges, and that of Mrs Nazanin Zaghari-Ratcliffe. I know that he has made many representations, but I urge him to do so again.

Mr Ellwood: I thank my hon. Friend for the work that he has done to allow me to meet the family so that we can do what we can, as we do with other difficult consular cases, four of which we are currently very concerned about. The trouble is that they are cases of dual nationals, and Iran does not recognise the dual nationality. That does not prevent us from acting, thankfully, because our embassy has now reopened. The Prime Minister has written on behalf of my hon. Friend’s constituents, and phone calls have been made.
There is now a dialogue, which did not exist before the deal, that allows us to pursue such consular matters with a vigour that we could not before.

To focus again on the human rights situation, Iran continues to be of grave concern. Freedom of religion and belief, freedom of expression, women's rights and the justice system all need improvement. As has been said, the number of executions—almost 1,000 in the past 18 months alone—is at a record high, despite President Rouhani's pledge in 2013 to improve the rights and freedoms of Iranian citizens. Unfortunately, progress has been slow, and in some areas things have gone backwards, as has been articulated in this debate. The UK has consistently pressed Iran to improve its human rights record.

Hon. Members rightly asked what we are doing about the issue. We have designated more than 80 Iranians responsible for human rights violations under EU sanctions and helped establish the UN special rapporteur on human rights in Iran, who was mentioned by several hon. Members. We have lobbied at the UN for the adoption of human rights resolutions on Iran. We regularly raise human rights in our dialogue with the country, with Foreign Minister Zarif and President Rouhani. I assure hon. Members that they will also be a focus of our discussions with Iran when we reconvene at the UN General Assembly.

I believe that the approach is balanced. We need continued engagement with the Government of Iran, and developing our bilateral relationship is key to achieving change, but we do not lose sight of the fact that the proxy influence in Baghdad, Sana'a, Damascus, Beirut and Manama continues. That is not the direction of travel of a country that sees re-engaging with the international community as a worthy cause. We challenge it to recognise that if it wants to be seen as participating in the international stage, it must reconsider its involvement and interference in those countries.

Our embassy has been mentioned. It reopened last year and has facilitated visits not only by businesspeople but by the Foreign Secretary. That has enabled the development of stronger ties and candid conversations, whether about Camp Liberty or the Baha'i community. We can bring up such things far more regularly and whether about Camp Liberty or the Baha'i community. We can bring up such things far more regularly and have frank conversations, many of which are not necessarily always heard about or—I want to make this clear—mentioned in my written answers to questions.

Time is against me, so I will simply say in conclusion that the relationship with Iran, while not always easy, goes back a long way, but the nuclear deal provides a new opening. It is clear that Iran's future security and prosperity are directly linked to its Government's willingness to engage with the international community, but human rights are an essential part of that engagement. We acknowledge that progress will be slow, but it is progress worth pursuing. In step with international allies, we will continue to work with Iran to improve the human rights situation there. I thank my hon. Friend the Member for Hendon for securing this debate, and I hope that we will continue to discuss these matters in the House.

Motion lapsed (Standing Order No. 10(6)).

11 am

Mr Ian Liddell-Grainger (Bridgwater and West Somerset) (Con): I beg to move,

That this House has considered the Conduct of the Chief Constable of Avon and Somerset Police Force.

I am very grateful to have a chance to raise this incredibly important issue. I am also very thankful to the Minister for Policing. Fire, Criminal Justice and Victims for allowing me to go on for slightly longer than usual; he has allowed me to talk at some length on this issue because, as I say, it is incredibly important.

There are some very sensitive questions to be asked about the most senior policeman in my neck of the woods and the matter of his appointment; they deserve to be put before Members for consideration. I would never bring such matters to the Chamber if they were not of genuine public concern.

May I say at the outset that I have not had the opportunity to meet our new chief constable, Mr Andy Marsh. Since he is the subject of fresh investigations of alleged misconduct, to which I will refer, he may prefer to keep it that way for the time being. However, I confess that I am so worried about this issue that I have intervened twice in the main Chamber of this House during business questions. In addition, the Chairman of the Home Affairs Committee, the right hon. Member for Leicester East (Keith Vaz), approached me independently about this issue, as the Minister is aware.

A few days ago, believe it or not, I mistakenly received letters from the chief constable and the police and crime commissioner, both of them complaining about my parliamentary involvement and reporting me to the Independent Parliamentary Standards Authority for doing my job. That was a new twist. They wanted me to apologise and to retract what I had said in the House. Was this a cack-handed attempt to intimidate me? I hope not; it is not their role to intimidate me and it is certainly not my role to be intimidated. I am sure that they would much rather that I shut up and leave them alone, but that is something I cannot do, will not do and should not do.

The integrity of the police service is vital. The public rightly expect the very highest standards of probity from all serving officers, and I am doing my job in making sure that those standards are upheld. What worries me is how and why the appointment of this chief constable was made in the first place. To answer such questions, I am afraid that it is necessary to return to some dreadful events that took place a few years ago at a specialist residential school for children with learning difficulties. Sir Edward, I hope you will bear with me.

The school was near Southampton and Mr Andy Marsh was the deputy chief constable of Hampshire at the time. His force launched an investigation into claims of sexual abuse. Shocking allegations were made by some former pupils; stories of the grooming and rape of vulnerable children emerged. Something rotten seems to have taken place at the Stanbridge Earls school. However, despite investigations being carried out by the local authority, Ofsted and the police, nobody was ever prosecuted. That was back in 2011.
Two years later, the story had not gone away; in fact, the number of allegations had increased and there were questions about how thoroughly the police had examined the case. By that time, Mr Marsh had been promoted. He was Hampshire’s chief constable and on his watch Operation Flamborough was launched to try to get to the bottom of matters. Had he done a proper job? Were there grounds for disciplinary action against any officers? The investigation lasted eight months, with inquiries in 10 different counties. More than 1,200 documents containing 20,000 pages were reviewed; 79 witness statements were taken; and 172 officer reports were submitted.

However, all that came to nothing. There was no disciplinary action and there were no prosecutions. At that time, Mr Marsh himself was under scrutiny. The rules for complaints against chief constables are different. A commissioner can deal with a matter internally or, if a complaint is considered to be serious, they can call in another police force to investigate.

Hampshire’s commissioner asked Essex police to do the digging. There were nine complaints against Mr Marsh, including failure to undertake a thorough investigation into sexual abuse of vulnerable pupils and failure to protect one vulnerable child in particular. It took almost a year to complete the inquiry and on 10 June 2014 Essex police announced that it had found “no grounds to justify” any allegations. Mr Marsh was formally cleared.

Was that the end of the story? I simply do not know. I am not a Hampshire MP: I can only read about this issue in Private Eye and elsewhere, just like anyone else. However, what is quite clear—because there were so many references to them on the internet—is that allegations went on being made, and I am afraid they are still being made. No doubt all chief constables make enemies from time to time, but this chief constable seems to have attracted some very determined foes.

I find it hard to understand why none of this seems to have rung any alarm bells whatever in the office of the police and crime commissioner for Avon and Somerset when she hired Mr Marsh. Of course, the “she” in question is Mrs Sue Mountstevens, and it might be helpful for this House and for the record if I provided a little background information on her. She used to be a big wheel in fast food, running one of Bristol’s best known family bakeries; Mountstevens made its name as the ultimate poisoned chalice. It is hard to keep up with the gaps that exist, I think the office of chief constable is hardly out of the door before Nick Gargan was pushed in through it. The rules say that Mrs Mountstevens has the right to clunk chief constables in or replace them, and she did those things.

Mr Gargan was a totally different animal to Mr Port, being much more of a modernising, fast-track copper. He was young, clever and—I believe it or not—had a love of opera. The old guard probably thought, “Allo, ’Allo. He’s not one of us”, but he was the first choice of the Pasty Queen, possibly because he was the only serious candidate.

There is an increasing problem—chief constables do not seem to be falling over themselves to apply for the top jobs. Perhaps they think the pay is not worth it or that the responsibility is too onerous; perhaps they will not apply because they cannot be certain of being successful any more. Or perhaps they do not fancy working alongside a particular police and crime commissioner. Now, there is a thought.

Last year, the Chief Police Officers Staff Association carried out a survey of 25 forces. There were five chief constable vacancies, which attracted only 11 applications. Two of the vacancies had just a single candidate. I say to the Minister that that was not so much a recruitment process as a cosy shoo-in, and I know that he does not like that any more than I do. I am afraid the Home
Affairs Committee has already highlighted this issue and I know that the Minister will probably want to address it when he replies to this debate.

Anyway, let us go back to Nick Gargan. He had been running the national Police Recruitment agency after a stint as No. 2 at Thames Valley police. He had never applied to be a chief constable before, but Mrs Mountstevens reeled him in. Gargan was hired to make changes. He favoured a direct entry scheme to allow non-officer staff to take up jobs at inspector or chief inspector level, thereby skipping the lower ranks. That was in line with Home Office thinking, but the Police Federation called it “half-baked”. Honestly, I am not inventing these baking references; they have actually been used by others.

As far as I am aware, Nick Gargan was well thought of by officers, but higher up the ladder there were people out to get him. He had served a mere 14 months when allegations of inappropriate behaviour began to emerge. In came the Independent Police Complaints Commission to investigate and he was suspended, but nobody gave any formal evidence against him; it was more of a whispering campaign. The investigation went on for a year and the verdict was that he had showed “flawed judgment”, which is hardly a sacking offence; if it was, there would not be any of us MPs left. By then, however, Mrs Mountstevens was getting twitchy. She set up a fresh inquiry, which took ages to decide that Mr Gargan was not guilty of any gross misconduct at all. He was rapped over the knuckles with eight written warnings and it was recommended that he return to work. I don’t think Mrs Mountstevens had a clue. She is, in fact, incredibly thick. She did not know how to react. She dithered, and the lynch mob got busy—not edifying in the police.

The Police Superintendents Association asked its members what they thought, and 24 out of 25 of them said that they had lost confidence in Mr Gargan, which unexpectedly provided Mrs Mountstevens—ah!—with the ammunition she needed. Funny that. Could it have been deliberately orchestrated? Perish the thought. After all, it is very unusual indeed—unprecedented in my experience—for a group of top officers to gang up in public and stab their chief in the back. The whole thing appears to have been arranged by Chief Superintendent Ian Wylie, who happens to be head of the standards, culture and ethics department of the Avon and Somerset Force. Believe it or not, she is one of the assistant chief constables, and she uses her maiden name of Nikki Watson. Funnily enough, the Avon and Somerset constabulary website states:

“Andy is married with two daughters and enjoys fly fishing, running and rowing.”

Elsewhere, it states:

“Nikki is married and has two daughters.”

It does not put the two together. She was there when he came back. That is an unusual situation. It may be unique, but in no way can it be called ideal. Mrs Marsh will have to report to another deputy chief constable to avoid conflicts of interest. Once again, the pasty queen has bent over backwards to get the man she wanted. But has she bent too far?

Andy Marsh took up his new job in February. Three months later, he was back in the headlines because of another complaint against him. Mrs Mountstevens said she received a new complaint relating to Andy Marsh’s role in investigating the allegations of rape at Stanbridge Earls school in Hampshire. Her instinct was to clear it up quickly with Mr Marsh himself, but the complainant appealed and here we are again. The pasty queen has called in another police force to look over it again. Remember, last time it took a year to clear Mr Marsh’s name.

I am not happy with the situation. It was obvious that the accusations were likely to follow Mr Marsh. They may be vexatious; they may be legitimate. That is for the new inquiry to determine, but their hanging in the air does absolutely no good for the reputation and morale of the Avon and Somerset police force. The police and crime commissioner deserves to take the blame for another expensive fiasco and mistake. According to the Taxpayers’ Alliance, the cost of running her office is a fifth greater than that of running the old police authority. That is not surprising—she employs 19 people. How can a police and crime commissioner employ 19 people? What are they all doing? Stabbing the chief constable in the back?

I notice that my right hon. Friend the Minister’s Department is giving commissioners, including Mrs Mountstevens, new powers to oversee the fire and rescue service. I beg him not to do that, especially in Avon and Somerset. The Fire Brigades Union has called it a “half-baked idea”—I do not know what this is all coming from. Mrs Mountstevens is no Berry; I am not convinced that she could be trusted to run a police canteen. But the point here is simple. Mrs Mountstevens should suspend Chief Constable Mr Andy Marsh, as she did all the others, until the matter has been cleared up.
These are not trivial fly-by-night allegations; they are serious. We cannot pretend that they have not been made. We cannot pretend that they are not current. Why the chief constable is still there is beyond me. I think one reason may be that if he goes it is his missus who takes over—that could make the breakfast table interesting in the Marsh household. I suspect also that Mrs Mountstevens has once again lost her nerve. She does not know what to do. Like I said, she is not bright—I am being generous.

We need a clear understanding of the roles of the police and crime commissioner and the chief constable. In Avon and Somerset the roles are blurred. Avon and Somerset is becoming a police force, not a police force. I know there are limitations to what the Minister can say—I understand and agree with that, because of the ongoing investigation—but I know that he has heard my words and I am grateful that he has said he will meet me and talk to me about the matter. We need to come to an understanding of the future roles of these people, because unless we do I strongly believe that people in my constituency and across the Avon and Somerset police force area will lose their faith in the police. They need faith in the police. They need trust in the police. The coppers on the ground are damned good. They do a good job. The role of policemen has not changed in 100 years. They are still vital to law and order, to the safekeeping of people and to looking after the wellbeing of my constituents and those of the other Somerset and Avon constituencies. This is a mockery of all. I ask the Minister: please, give my thoughts a fair wind and see what we can do to change the situation.

11.16 am

The Minister for Policing, Fire, Criminal Justice and Victims (Mike Penning): It is a pleasure to serve under your chairmanship, Sir Edward. At this stage of a speech I normally say, “I thank my hon. Friend for bringing the debate to the Chamber”. Although it is right and proper that my hon. Friend the Member for Bridgwater and West Somerset (Mr Liddell-Grainger) has done that today, I am enormously restricted in what I can say, as he mentioned. He made a far-ranging speech but I am here, really, to talk about the chief constable of Avon and Somerset police force. I will touch, however, on some of my hon. Friend’s points.

Police and crime commissioners—PCCs—are elected, whether on a 1% or a 100% turnout. The public have the right to decide whether to vote for them, vote for someone else, or not vote at all. Naturally, in the early days people did not know what they were voting for, but the turnout has since gone up substantially, in particular when the elections have been alongside local government elections. The next PCC election should be concurrent with a general election—but nothing is perfect in this place, so we do not really know, what with the events taking place around us as we speak. I hope that this Parliament stays for the full term; the PCC election turnout will then be completely different.

What we have done is to place powers—administrative not operational—with an elected person, who is responsible for their community, and it is for them to decide how much they spend. The public can then see the exact details. The process is not opaque; it is very open. That openness is the reason my hon. Friend has been able to comment in the way he has about how many staff there are and how much is being spent.

My hon. Friend is absolutely right that there is an ongoing inquiry. There is a process in place for that, and it is not for a Policing Minister to interfere in or influence that in any way. The allegations are serious and it is important that they are investigated fully.

I saw some of the commentary about my hon. Friend’s previous comments on the Floor of the House. This place has privilege, and it is for my hon. Friend to decide the language he uses and what he says in his speeches. In that way, we have the freedom to represent our constituents in the way we feel we should.

The ongoing investigation means that there is uncertainty and I fully accept my hon. Friend’s concerns. I also fully accept that, as in the other 43 forces that I am responsible for, the boys and girls on the beat in his area do a fantastic job, day in, day out. It is, as he alluded to in his comments, deeply unsettling that the force has had so many chief constables over a short period of time, but sometimes there are good reasons for that. I will not go into that: it is very much for the PCC and the local community. However, I know what it is like. My hon. Friend and I have both served in Her Majesty’s armed forces. If a soldier does not know who their colonel is from one day to the next, it is very difficult to get that feeling of unity running through the system.

My hon. Friend also commented on the number of people applying for chief constable jobs, and the situation is difficult. South Yorkshire is going through a difficult time and is also advertising for a new chief constable. It is an enormously onerous task to be chief constable of a force. In many parts of the country, the political and management skills are as important as the understanding of day-to-day policing, because of how they have to deal with things—I would not have wanted to take on that task. We have opened the job up, however. There are people for and against the direct entry scheme, but it will open up opportunities for people to come through the ranks in so many parts of the police force. The old saying when we were in the Army was, “Dead man’s shoes”, but that cannot happen now. We need to ensure that people can aspire to and dream of being chief constables, if that is what they want to do. They may want to go into other specialist areas, but it is crucial that we open things up.

The Policing and Crime Bill has passed through this House and will fairly soon have its Second Reading in the other place. It gives powers to PCCs to put forward to the Home Secretary a business plan to take on the administration of the fire service. I have to declare an interest: I wrote a paper some 30 years ago saying that the emergency services must work more closely together and there is no argument about that. The debate we had in Committee was whether it should be a councillor seconded on to a committee and paid a bit of extra money or someone directly elected to do that role. I freely admit that one size will not fit all. If an agreement cannot be reached locally and a PCC or a metro mayor wants to put forward a business plan to the Home Secretary and me—I am the first ever Minister to have responsibility for policing and fire—we would look at that. One size truly will not fit all.

Mr Liddell-Grainger: May I use the Avon and Somerset force area as an example for clarification? Our fire brigade, as the Minister is well aware, comes under Devon and Somerset fire service. We have an elected
mayor in Bristol. The rest of Somerset is not covered. If the metropolitan mayor of Bristol put forward a case to take over the fire brigade, given that we are slightly skewed, that has merit because of devolution. The Minister is well aware of how we are looking at joining things closer together with devolution in Somerset and Devon, but that does not include Bristol or what we call north Somerset, which covers the constituencies of my right hon. Friend the Member for North Somerset (Dr Fox), my hon. Friend the Member for Weston-super-Mare (John Penrose) and for North East Somerset (Mr Rees-Mogg), and a bit of Bristol. How would that devolution work? That is of some interest, I think.

**Mike Penning:** I said a moment ago that one size does not fit all, and my hon. Friend raises a classic example of that. In certain parts of the country, it is a very simple procedure: there is a fire authority and a police authority—now the PCC—and they can mesh very closely. If that was the situation across the country, I would have a very simple job in looking at all the business plans and coming to some conclusions, but that of course is not the case. Amalgamations of fire services were taking place right up until the responsibility was transferred from the Department for Communities and Local Government into my portfolio.

It is best not to use Avon and Somerset as the only example. Looking at some of the other models that are being talked about—I freely admit that I do not have the business plans on my desk—chief fire officers from some parts of the country have approached me and said, "Our fire brigade is too small. We do not want to be regionalised. We have seen some of the problems that have occurred with the ambulance service being regionalised, but we would be a better administrative functional body if we were a larger fire service. Does that prevent us from being amalgamated? What if a metro mayor takes over?" There is a little feeling of, "If we grow in size, perhaps that will prevent us being amalgamated with the police."

Other areas are looking at whether they can take over the emergency ambulance service, as well as fire and the police. The ambulance service is commissioned by clinical commissioning groups; the money does not come directly from central Government. I have other areas—Merseyside is probably one of the obvious examples when we look at the introduction of metro mayors—where the boundary goes slightly into another area. For instance, the Merseyside boundary goes into Cheshire. What we have said all along is that that is not a game-stopper and that we would work across Government to come to sensible conclusions about the best way to deliver services and emergency services where they are needed.

There is no simple answer to my hon. Friend’s points. During consideration of the Bill, we said that it is vital not to look at things in terms of silos or buildings. Using the analogy of a church, it is about a group of people coming together, and not necessarily a building. We always look at churches as buildings. The London fire service looks at fire stations and headquarters, and it is similar with the police service. I have been pushing hard, as we move from a difficult austerity situation, for us to continue to look at how we spend on capital assets. The police services and fire services around the country have extensive assets, and the situation in Avon and Somerset is no different. I have been saying, “If we are going to have a different kind of policing, why could the police station for that community not be based in the local fire station?" It is difficult to put a fire appliance inside a police station, because a 10-tonne truck does not fit so well in the foyer, but it is very easy to do it the other way around and put a police car in a fire station. We have seen that in Hampshire and Lincolnshire and other parts of the country.

That was a very long answer to a simple intervention, but in short we rule nothing out and we have an open mind. We would prefer to have things agreed locally under devolution and localism, but we are pragmatic enough to realise within the Department that that will not happen every time, so sometimes difficult decisions will have to be made by the Home Secretary with some advice from me.

On the specific points to do with the future and the chief constable’s investigations, that is frankly not within my remit, and rightly so. We do not live in that sort of society, thank goodness. The PCC was duly elected. Should my hon. Friend feel that the PCC is not doing her job correctly and has brought the force into disrepute, there are mechanisms in place. PCCs are not exempt from disciplinary action. That mechanism clearly has not been triggered yet, and whether it is has nothing to do with me.

Even though I am not skilful enough to have used some of the language and links to the bakery industry that my hon. Friend used, one thing that is important to me as a parliamentarian is that colleagues from across the House have confidence that they can express their concerns on behalf of the public without the worry that they will lose privilege. Parliamentary privilege is important. So many times in the House, I have heard people say, “If I was not a Member of Parliament and I was not in this Chamber, I would not be allowed to say that, even though I passionately believe it is true, mostly because I could not prove it in law or in fact.” That principle keeps this democracy sound.

I congratulate my hon. Friend and encourage him to continue expressing his concerns. There is a process in place. It is clearly not for the Minister for Policing, Fire, Criminal Justice and Victims to interfere in that, but I stress that it would be useful and sensible—it might be a difficult meeting—for my hon. Friend to take up the PCC’s offer to meet with her and the chief constable, because at the end of the day they are responsible for wellbeing in the constituency.

*Question put and agreed to.*

11.29 am

*Sitting suspended.*
Independent Advocates for Trafficked Children

2.30 pm

Fiona Mactaggart (Slough) (Lab): I beg to move.

That this House has considered independent advocates for trafficked children.

It is a pleasure to serve under your chairmanship, Mr Streeter.

I was proud to contribute to the Modern Slavery Act 2015. Although I wanted it to include specialist guardians for trafficked children, I was glad to support section 48, which provides for independent advocates to be available to promote the best interests of those children, advocating for them and accompanying them through the many confusing official processes that they encounter. Section 48 benefited from a series of improvements as it passed through Parliament, and the Minister and the Government are to be commended for listening to the concerns and suggestions of Members and responding with positive changes to strengthen the role of advocates.

Let us just stop to think for a moment about the lives of children who have been brought to this country by exploitative criminal traffickers. They are lonely in a bewildering foreign country where they do not speak the language. The person who brought them here may have sexually exploited them or tried to get them involved in criminal activity to recoup the cost of their horrible and terrifying journey. They may be told that if they do not collaborate their families will suffer. They feel scared and abandoned. Some 982 children were identified as having probably been trafficked last year, and we know that there are more who will never come to the attention of the authorities. That is why Kevin Hyland, Britain’s independent anti-slavery commissioner, has said that “it is essential to ensure child advocates are put in place as soon as possible.”

However, a year later, section 48 remains dormant on the statute book. More than a year since the Act was passed, and three months after the Minister promised we would be presented with new proposals, vulnerable trafficked children are still without the specialist support that the Act intended to provide. The delay in establishing the scheme is particularly disappointing in the light of the positive evaluation of the trial schemes produced for the Government by the University of Bedfordshire and published in December, which concluded that “evidence from the trial suggests that advocates added value to existing provision, to the satisfaction of the children and most stakeholders. The ICTA service”——the Independent Child Trafficking Advocates service—“appears to be important in ensuring clarity, coherence and continuity for the child, working across other services responsible for the child, over time and across contexts...This evaluation’s main conclusion is that the specialist ICTA service has been successful as measured in relation to several beneficial outcomes for trafficked children.”

David Simpson (Upper Bann) (DUP): I congratulate the right hon. Lady on her fantastic work with the all-party group on human trafficking. During my time on the group, there was an issue with consistency in how police services throughout the United Kingdom deal with trafficked children. Has that improved with time or are there still the same difficulties?

Fiona Mactaggart: I do not think we have evidence about consistency, to be honest, but a comprehensive advocacy service would give us that evidence and could also improve consistency. The advocates were able to help children to orient themselves and navigate complex services; to keep trafficked children safely visible to all authorities—we know that is a problem in some areas—to build relationships of trust with the children and with other professionals; to speak up for children where necessary; to maintain momentum in the progress of their cases, including planning for their future; and to improve the quality of decision making in those cases. The children in the trials who had an advocate felt more secure and supported than those who did not. In the words of the report, “when an advocate was involved in their life, the children had a sense of being cared for in a ‘tight knit’ manner. For the comparator group children, a steady impression emerged of more ‘loose weave’ relationships with intermittent contact with social workers.”

As one child put it:

“I can call my social worker and then she tells me OK but I’m busy or something. But if I call [the advocate] then she can make things happen.”

Mrs Helen Grant (Maidstone and The Weald) (Con): I, too, congratulate the right hon. Lady on her very good work with the all-party parliamentary group. I declare an interest as a trustee of the Human Trafficking Foundation. The right hon. Lady makes a good case. Does she agree that a close relationship with the advocate often allows the child to feel more comfortable and confident and therefore less likely to take instructions from the trafficker and more likely to trust the local authority?

Fiona Mactaggart: Every human being needs that person they trust and who they know will stand up for them at every point. For so many of these children, initially that person is the one who brought them to this country, often to exploit them. The great thing about creating an independent advocates scheme is that it gives the children that person.

In February 2015, when the Modern Slavery Bill was on Report in the other place, the Home Office Minister Lord Bates said:

“The success of the trial will be measured by assessing the impact of advocates on the quality of decision-making in relation to the child trafficking victims’ needs by key professionals—for example, social workers, immigration officials and police officers—the child trafficking victims’ well-being; their understanding, experience and satisfaction of the immigration, social care and criminal justice system; and their perceptions of practitioners.”—[Official Report, House of Lords, 25 February 2015: Vol. 759, c. 1668-69.]

If that is the test, there is no doubt that the pilot was a success.

The evaluation report also recognises significant value in having the advocate role operate independently of local authorities and other agencies that provide services to the children, which enabled advocates to play a co-ordinating role, thereby keeping momentum in a child’s case, and to encourage coherence in how they were treated. It also gave the advocate a 360-degree view
of the child, their life and their circumstances, which helped them to provide more informed and comprehensive support. One professional stakeholder described the benefit of the holistic nature of the advocate's role thus: “The independent CTA [child trafficking advocate] that I have met had a cross cutting knowledge of the NRM, criminal and immigration proceedings that other professionals working with the child (social services and support workers) openly told me they did not. She made sure that his interests in all…areas were met had a cross cutting knowledge of the NRM, criminal and immigration proceedings that other professionals working with the child. I thought she was excellent in tying these areas together.”

That connects with the point that the hon. Member for Maidstone and The Weald (Mrs Grant) made about those children needing their trusted person. I worry that the Government’s unpublished anxieties about the shortcomings of the pilot risk our losing some of those special qualities in whatever is the next iteration of the scheme.

The trials showed that advocates can raise awareness of sexual exploitation, help to address poor legal services provided to a child, and challenge when children are placed in bed-and-breakfast accommodation, where other residents might exploit them, rather than with experienced foster families. They help children to access education and support with many everyday needs such as getting transport passes, opening bank accounts and going to after-school clubs. Sadly, those benefits were overlooked by the Government’s response to the trials, which stated that “the impact of the independent child trafficking advocates…appears to be equivocal”—a statement so contradictory to the conclusion of the evaluation report that it is honestly difficult to see on what basis it was made.

One sticking point was the failure of advocates to prevent children from going missing from care. Sadly, the Government seem to have a mistaken interpretation of the evaluation’s findings on that account. The fact is that seven of the 15 children who went missing from the advocacy group did so before an advocate was appointed; an accurate reflection of the figures would therefore be to say that, of the 27 children who were permanently missing at the end of the trial, only eight had an advocate in place. The failure of the Government so far to acknowledge that is concerning. I know that preventing children from going missing and protecting them from further exploitation must be a priority, and I welcome the Government’s concern.

Mrs Grant: On that important point, does the right hon. Lady agree that children go missing for myriad reasons, including the quality of accommodation, the relationship with the trafficker and the level of English? Although the going missing factor is extremely important, it is probably an unrealistic measure of the trial’s success.

Fiona Mactaggart: That is exactly the point I was coming on to. [Interruption.]

Mr Gary Streeter (in the Chair): Order. We have a Division. The right hon. Lady will have to answer that intervention when we get back. The sitting is suspended for 15 minutes. If there are two votes, please come back as quickly as possible.

Mr Gary Streeter (in the Chair): We are waiting for one or two colleagues to return, but I think that we are able to get under way, so I call Fiona Mactaggart to answer the intervention that was made 20 minutes ago.

Fiona Mactaggart: Thank you very much, Mr Streeter. The hon. Member for Maidstone and The Weald talked about the complex factors that lead to children going missing. As Professor Ravi Kohli, who led the evaluation team, told a joint meeting of the all-party groups on human trafficking and modern slavery and on runaway and missing children and adults, the circumstances in which a trafficked child goes missing from care are complex. Many factors may be involved and may need to be addressed to provide a solution. An advocate can help to mitigate those factors by raising awareness of the risks among other professionals, pressing for the provision of safer accommodation and building strong relationships with the child, but other action is also needed. As the evaluation report said, the circumstances in which children go missing require further investigation to ensure that we put in place the most appropriate measures to prevent that from happening.

Ann Coffey (Stockport) (Lab): I congratulate my right hon. Friend on securing this important debate. On that issue, the all-party group on runaway and missing children and adults has done work on children who go missing from care and is concerned that a proper risk assessment should be made of what happens to such children and the risks that they may be opened to when they go missing. That relies on the child disclosing what has happened to them. Children will not disclose information unless they trust the person they are giving that information to. The trusted person is key. Does she think that one way forward on this issue might be to look at how we can get more trusted people for children who go missing—they go missing for all sorts of reasons—and possibly developing some kind of voluntary scheme?

Fiona Mactaggart: My hon. Friend, who chairs the all-party group on runaway and missing children and adults, really understands this issue. I believe that children who have lost contact with families can benefit from such an advocacy scheme too. In a way, the Home Office has been more determined to provide support for isolated children than has the Department for Education, which should play a leading role in this area. Local authorities face diminishing resources and increased demand, and cannot adequately support British children who go missing or the unaccompanied Syrian refugee children who will come here. We know from international and indeed Scottish evidence that such children benefit from independent guardianship and that they are at risk of exploitation and trafficking.

My hon. Friend’s proposal that we find ways of giving all children a special person may help to make more children resilient to the risks that they face of going missing, being exploited and so on. Although it is beyond the scope of the debate, I hope that in the future...
we could extend an independent child advocate scheme beyond trafficked children to lone migrant children and children who have gone missing from their families and so on, because every child needs their person who will help to make them safer. There is no magic bullet, but having a person can make a lot of difference.

On my hon. Friend’s question about risk assessment, we know that the risk of going missing is much higher among some groups of trafficked children than others. For example, Vietnamese children trafficked to this country to work as gardeners in cannabis farms are at an almost automatic risk of disappearing. So a robust risk assessment is needed as soon as a child is identified as a victim of trafficking and we need an accelerated programme to connect high risk children to an advocate.

The evaluation illustrates cases where advocates were the only people who enabled a child who had gone missing to be brought back into contact with the authorities responsible for them. There were significant delays in children being referred to the advocacy service by local authorities—a delay of three days or longer in almost 70% of cases. In comparison, once the advocacy service received the referral, 84% of children had an advocate within one day and all within two days. This finding raises important questions about the referral process and—this is key—the level of commitment from local authority staff members to the advocacy provision. That is one of the reasons why I think the Minister must implement section 48 of the Act now so that local authorities have legal duties in relation to advocates.

The evaluation tells us:

“There were many difficulties associated with advocacy work where speaking up for a child required nimble and diplomatic manoeuvring, rather than being able to draw on a legal authority to contribute”

to meetings about the child’s case.

The evaluation identified challenges faced by advocates, and I am glad the Minister intends to look at those and seek to address them in future iterations of the scheme. However, I do not believe it is necessary to conduct further trials to do so. The Government originally promised to implement the scheme after the trial. The Minister knows that inadequate co-operation from some public authorities, exacerbated by a lack of legal authority, can be resolved only by commencing section 48 of the Modern Slavery Act 2015, which specifically requires public authorities to recognise and pay due regard to the advocates’ functions and provide them with access to the necessary information about a child’s case. Without bringing section 48 into force, the degree to which public bodies will pay attention to advocates will remain variable, and we will never be able to measure the full potential benefit of the scheme because this depends on statutory recognition, which trials can never give.

In their response to the evaluation report, the Government stated that they would bring proposals about the way forward to Parliament in March. Three months later, the proposals are unpublished, yet since the trials ended nine months ago, vulnerable trafficked children across the country have been left without vital support. Barnardo’s, which delivered the trial advocacy scheme for the Home Office, has continued to provide support to children who entered the trial because it is convinced of its value, but this is to rely on charities once again to step in and cover what should be a statutory responsibility. It is now of the utmost urgency that plans are put in place to make this support available on a wide basis.

Earlier this month, various charities wrote to The Guardian newspaper calling on the Government to act urgently to make independent advocates available to all trafficked children. The charities know, from their work with children, that the delay means many vulnerable children will lack vital support and will be at risk of cruel exploitation. I trust that the Minister will today set out in full the Government’s intentions. I urge her not to proceed with further unnecessary trials, but instead to commence section 48, which provides the best opportunity for acting on the recommendations of the evaluation report and for addressing the challenges it identified, not least that of a lack of legal authority that led to poor collaboration by some local authorities. We must act with urgency to make this provision available and I urge the Minister not to sacrifice the good for the sake of the best, which is what her present course of action risks.

Statutory services can be evaluated and improved when in operation; they often are. As understanding grows about trafficking and the nature of the challenges and risks that children face, there will inevitably be aspects of the advocacy scheme that will need to develop in response. However, the trials have provided sufficient information for the establishment of a permanent country-wide scheme and I hope, although I do not expect, the Minister will put one in place as soon as possible. If she prefers to press ahead with further trials before enacting section 48, I would ask her to heed the advice of the Independent Anti-slavery Commissioner to make every effort to avoid unnecessary delays that would result in beginning again from scratch.

If further trials are to be entered into, they must add to the information and knowledge gained from the first stage of the trials and not be an entirely separate process.

I hope that at a minimum the Minister will confirm today that any new trials and evaluation process will include continued monitoring of the situation and outcomes for the children who participated in the first phase. This will mean we can comprehensively assess the impact of the advocacy provision, particularly in the areas of operation where processes can be lengthy, such as the legal cases that did not reach a conclusion during the first trial period.

I also ask the Minister to build into any future trials the possibility for section 48 to be commenced before the end if interim reports are positive. Doing so would enable very needy children around the country to benefit from this important assistance as soon as possible. I know that the Minister is determined to eliminate trafficking and to protect and support its victims, but the delays that we are experiencing are leaving vulnerable children at sea in a bewildering ocean of statutory agencies, coping with a foreign language and unfamiliar processes, as well as in many cases recovering from trauma and exploitation without the support that Parliament, the European Union and the United Nations have all decided they need. Trafficked and separated asylum-seeking children in Scotland have benefited from similar services for several years and will soon do so on a statutory basis. Northern Ireland is also moving forward on this.
However, here in England and Wales, where we have responsibility for the majority of trafficked children, we are lagging behind.

I hope to hear today when the Minister plans to commence section 48 of the Modern Slavery Act to make independent child trafficking advocates available for every trafficked child in England and Wales, because vulnerable trafficked children across the country—more than 1,000 kids—have been left without this support. We urgently need to make such support available on a wider basis.

Angela Crawley (Lanark and Hamilton East) (SNP):

It is a pleasure to serve under your chairmanship, Mr Streeter. I congratulate the right hon. Member for Slough (Fiona Mactaggart), who has been an advocate of this issue for many years. This important issue is vital to children, so I do not intend to be political in my contribution today. I intend to enhance the debate and contribute some of the thoughts from Scotland. I want to make it clear that this issue affects vulnerable children and young people.

The issue is fundamentally important because children are at immediate risk of further harm and exploitation. The National Society for the Prevention of Cruelty to Children highlights several reasons why children are recruited, moved or transported. These include benefit fraud; forced marriage; domestic servitude such as cleaning, childcare or cooking; forced labour in factories or agriculture; and criminal activity such as pickpocketing, begging, transporting drugs, working in cannabis farms, selling pirated DVDs and petty bag theft. In this range of small, medium and large crimes, children are exploited. They have no advocate to make a case for them and the exploitation that they suffer on a daily basis is absolutely the reason why we must have this debate today.

Trafficked children experience multiple forms of abuse and neglect, including physical, sexual and emotional violence, which is often used to control trafficked children. We are therefore today giving a voice to those children who have been silenced in this process through the absence of the necessary advocacy that is vital to their needs. The right hon. Member for Slough has done a great deal of work on this issue already through her work on the all-party parliamentary group, and I commend her for that.

As the right hon. Lady has highlighted, the National Crime Agency has already identified 982 cases of child trafficking in 2015, as I am sure the Minister is well aware. That is an increase of 46% from 2014. We could on the one hand link this to the refugee crisis, but that would be too crude. The simple fact is that we know this issue is escalating and ultimately we know that we must respond to it. That picture of child trafficking should surely be enough to convince the Minister that victims are desperately in need of independent advocates—people whose role it is to understand what is going on and to represent and support children believed to be the victims of trafficking. That gives those vulnerable children a voice through the care, immigration and criminal justice systems. We understand all too well that, even for adults, those are bureaucratic and lengthy processes and not something that any child should ever have to contend with.

The need for those vital services has already been recognised by Parliament in the Modern Slavery Act 2015 in a section that received widespread cross-party support, so I am sure I am not telling the Minister anything that she does not already know. That led to the child trafficking advocates pilot project, which is provided by Barnardo’s and funded by the Home Office. However, following an independent evaluation of the pilot scheme, the Government have not acted to make independent child trafficking advocates available across England and Wales. That must be done to ensure that young people and children receive the support that they vitally need. I support the calls from various charities, including Barnardo’s, Christian Aid, UNICEF and many others, which were outlined in a letter to The Guardian.

The EU directive on preventing and combating trafficking in human beings highlights the necessity for England and Wales to extend the pilot, which is especially important now. I do not want to labour the current situation around the EU referendum, but we must ultimately accept that we continue to have a responsibility and that these measures to ensure independent advocates for unaccompanied victims of trafficking have come on the back of an EU directive. The failure to appoint an independent guardian with sufficient legal powers means that the UK is currently non-compliant with the EU directive. Again, I do not say that to be political. I say it simply to state the case: measures to stop trafficking cannot be allowed to fail or fall short of international standards. It is therefore important that the Minister ensures that future revisions of the scheme will adhere to international best practice and guidelines. I urge the Government to commence section 48 of the Modern Slavery Act 2015 and establish a permanent independent advocacy provision as soon as possible.

Turning to Scotland, on which I like to think I have something to contribute, I highlight the work that has been done in Scotland as one model that could be followed by England and Wales. The Scottish Government have made a solid commitment to make provision for independent child trafficking guardians for eligible children. That is part of a wider project to make Scotland a hostile place to trafficking, where it is very clear that child trafficking is not welcome, and to better identify and support potential and confirmed victims. As a result, needless to say, Scotland’s provisions outstrip England and Wales at this time, but that does not mean that England and Wales cannot catch up, and I urge them to do so.

New legislation introduced by the Scottish Government last year—the Human Trafficking and Exploitation (Scotland) Act 2015—will protect those subjected to these terrible crimes while punishing those who commit them. The maximum penalty for trafficking was increased from 14 years, as it is in England and Wales, to life imprisonment—a statement of how seriously Scotland takes this.

The Parliamentary Under-Secretary of State for the Home Department (Karen Bradley): The Modern Slavery Act, when it was introduced and commenced in July last year, increased the maximum sentence to life imprisonment for all trafficking offences.

Angela Crawley: I thank the Minister for that intervention. I should have added “as it is in England and Wales” after “life imprisonment”, just to be absolutely
clear. Scotland has sent out a message that trafficking will not be tolerated under any circumstances and I urge the UK to do that also. That legislation also underpins the UK’s commitment for independent advocates. To ensure protections by making independent child trafficking guardians available and requiring statutory referrals to be made by people who are in a position to do so.

Scotland’s law enforcement agencies therefore have greater powers to bring those responsible to justice.

I mentioned previously how abhorrent child trafficking is and I think we all share that thought. That approach must be considered for application across the UK to end those practices. I am sure the Minister shares our collective concerns. She has proven always to be reasoned and thorough in her responses, so I therefore simply urge her not to delay further on section 48 of the Modern Slavery Act and to establish a permanent independent advocate without further delay. Lastly, to echo the beautiful words of the right hon. Member for Slough, “every child needs their person”.

3.24 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in this debate. I thank the right hon. Member for Slough (Fiona Mactaggart) for setting the scene. We have all said this about her, but we mean it: she has certainly been an advocate for this issue, and it is a pleasure to follow her and add some comments. I will speak about Northern Ireland, including the Northern Ireland legislation that she referred to.

Parliament expressed its view clearly in passing section 48 of the Modern Slavery Act 2015. The Government even accepted Members’ criticisms and amended the Bill to make the provision a duty rather than an enabling power, yet they are now choosing to interpret that section as if it were an invitation and not an instruction. That concerns me, and hopefully the Minister will respond to that point. Like the Northern Ireland Assembly, I believe that there is more than enough evidence and best practice available upon which a statutory national service can be based. That evidence comes from a variety of countries, from international organisations, and, closer to home, from Scotland, as the hon. Member for Lanark and Hamilton East said, and to follow the clear direction that that is now the Government’s intention. It cannot be anything less.

If, however, the Minister insists on the expense and delay of yet further trials, I ask her, with respect, to explain how she envisages new trials addressing the gap in authority. How will the Government evaluate the effectiveness of advocates in engaging with local authorities and relevant agencies, given that the trials do not actually bring section 48 into force? I very much hope that she will confirm in her response, which I look forward to, that that is now the Government’s intention. It cannot be anything less.

Scotland’s law enforcement agencies therefore have greater powers to bring those responsible to justice.

Scotland has of course been leading the way in the UK for some time, and I am pleased to say that Northern Ireland will shortly be joining Scotland in providing statutory independent guardians for both trafficked and separated migrant children. We are pleased to be part of that process, as the hon. Member for Lanark and Hamilton East said, and to follow the clear direction that Scotland has taken. It is a matter of great regret that trafficked children in England and Wales will not have the same access to support as those in Scotland and Northern Ireland.

When the lives of vulnerable children are at stake, it is imperative that we act with urgency, and we need urgency in the Minister’s response today. Does she really want it to be said that the worst place to be a trafficked child in the UK is in England and Wales, because the statutory
[Jim Shannon]

rights and protections are weaker? I certainly hope not. I urge her to unblock the logjam that is holding up the commencement of section 48 and to act swiftly to enable every trafficked child in England and Wales to have an independent child trafficking advocate as soon as is humanly possible. I also ask her to address how we will ensure that separated migrant children in England and Wales will not be at a disadvantage compared with children in Scotland and Northern Ireland, who will have access to independent guardians.

It is a pleasure to speak on this matter, and it is important that the issues involved are stressed. I believe that England and Wales should follow Northern Ireland and Scotland’s examples, and I say in all honesty that it would be remiss of the Minister not to give a clear direction on that today. I look forward to her response, as well as that of the shadow Minister, the hon. Member for Rotherham (Sarah Champion).

Mr Gary Streeter (in the Chair): We now move on to the Front-Bench speeches. It is worth pointing out that the debate can go on until 4.26 pm, but of course it does not have to.

3.31 pm

Richard Arkless (Dumfries and Galloway) (SNP): It is a pleasure to serve under your chairmanship again, Mr Streeter. This is clearly an important and emotive issue—I do not think anything rallies the human spirit quite like looking after children, whether they be our own children or trafficked children, and particularly vulnerable children who need our help.

The right hon. Member for Slough (Fiona Mactaggart) made a vivid and skilled contribution. She clearly has a great deal of knowledge of the issue, and I pay tribute to her for securing the debate and for the work that she has done on the all-party group, which I have learned a lot about in the last couple of days having read up on the subject. I commend you for that very good and sincere work. You provided vivid summaries of the experiences of the trial and put into context how it benefited children.

What came out of your speech was that trust is the central plank of why an advocate is so essential. The role of the advocate creates trust in the system by integrating children into society and giving them hope, and it creates trust in the advocates themselves. The alternative is further overburdening an already overburdened social work department with extra responsibilities, which it clearly would not have the resources to meet. I was interested to hear you talk about the positive feedback from the trials that have already taken—

Mr Gary Streeter (in the Chair): Order. I remind the hon. Gentleman that when he says “you” he is referring to the Chair.

Richard Arkless: Apologies, Mr Streeter. I was commending the right hon. Member for Slough because I was interested to hear about the positive feedback from the trials that she spoke of. That prompts a question, which I hope the Minister can help us with later: why on earth were they pulled, and why has section 48 not been invoked since that happened? I would be grateful to hear some answers to that. It is telling that, as she said, Barnardo’s has continued its advocacy policy since the conclusion of the trials. That organisation is dedicated solely to looking after vulnerable children, so if it sees the benefits of advocates, we should all sit up and take note.

My hon. Friend the Member for Lanark and Hamilton East (Angela Crawley) made a point that I would like to echo: this is not about politics. This is not about us in Scotland, Northern Ireland, or any jurisdiction telling another jurisdiction that we are doing a better job. We simply care about the kids, wherever they are: whether they are in Scotland, England, the European Union or the wider world, we want vulnerable children to be protected. It is not to score political points that we say that Scotland is perhaps more advanced in what it is doing; it is to provide a constructive comparison so that we can all look after the children in question. My hon. Friend provided an excellent summary of the position in Scotland, which I am sure the Minister has taken note of.

The hon. Member for Strangford (Jim Shannon) made a powerful point about the need to invoke section 48 immediately. He made the important point that the criterion upon which we should assess the trials is material benefit to children. From what I have heard today and read in preparation for this debate, it strikes me that the trials did have that benefit. If we keep that principle at the forefront of our mind when assessing what happened in the trials, hopefully it will lead us to invoke section 48 so that, frankly, we can get on with it.

I did not think my speech would be complete without hearing from the children themselves. I have a testimony from a child in Scotland who has been through the system there. She says of her advocate:

“I was happy, she was so nice, so nice about everything, we go to different appointments together.”

She said her social worker really “calmed me down when I was upset. After the appointment she and I would meet and talk together about what happened, and she advised me. She was more than a worker for me, because she was someone I could talk to.”

She said her social worker was very nice, but she had only met her “for 3 hours in 9 months. We are like strangers when we talk together. But with my Guardian, I talk to her”.

She says that she trusts her guardian and that “she puts me at...ease”.

She feels as if she can now live her life.

3.35 pm

Sarah Champion (Rotherham) (Lab): It is a real pleasure to serve under your chairmanship, I think for the first time, Mr Streeter. I would like to add to the compliments that have been given to my right hon. Friend the Member for Slough (Fiona Mactaggart) for securing this debate, for the campaigning work that she has been doing tirelessly and vigorously around this one issue and for the work that she has done on modern slavery and on the APPG on human trafficking and modern day slavery. That is not just to bolster my right hon. Friend’s ego, but because I really hope the Minister takes seriously the weight of her experience and the weight of support from colleagues across the House when she called for this debate.
The scale of human trafficking in the UK and the implications for the victims are far beyond most people’s comprehension. As the hon. Member for Lanark and Hamilton East (Angela Crawley) said, last year 982 children were recorded as being victims of trafficking by the UK Human Trafficking Centre’s national referral mechanism, but it is accepted—and the Centre accepts—that that is a massive underrepresentation of the true extent of the problem. The Government’s own estimate puts the total number of people in slavery in the UK at around 13,000, with approximately 3,000 of those thought to be under the age of 18.

 Trafficked children are some of our country’s most vulnerable children, often suffering years of abuse and exploitation. Those children are at significantly greater risk of harm. That remains true, to our great shame, even after they are in the care of the state. In its 2013 report, the Centre for Social Justice estimated that 60% of trafficked children in local authority care go missing, and that those who go missing are often highly likely to be returned to exploitation. Often children are so terrified and brainwashed by their trafficker that they will leave at the first possible opportunity and return to that abuser. Trafficked children are the responsibility of us all, yet their suffering is often overlooked and misunderstood, even by the professionals who work most closely with them. It is for this reason that these children need someone independent by their side and on their side as they navigate their way through the immigration, social care and justice systems.

 Section 48 of the Modern Slavery Act 2015 sets out provisions for trafficked children to be assigned an independent child trafficking advocate. Their role is to represent and support the child, promote the child’s wellbeing, assist in obtaining advice and representation and hold public authorities to account; their sole aim is to support that vulnerable child. As we have heard, a system of independent child trafficking advocates was piloted in 23 local authorities in England from September 2014 and into 2015. The independent evaluation, conducted by the University of Bedfordshire, found that the trial was successful and the service helped to keep children “safely visible”. Most importantly, the children themselves overwhelmingly found the role of their advocate positive in their lives and described them as “reliable and trustworthy”.

 Children’s charities such as ECPAT—I thank it for all the help that it has given me on this issue—and Barnardo’s, all the UK’s children’s commissioners, the British Association of Social Workers, and many more have been campaigning for legal guardianship or advocacy for trafficked children for many years. It is a concept that is recognised and valued internationally. The UN Committee on the Rights of the Child, in its recent examination of the UK’s implementation of its recommendations, once again urged the UK to adopt: “Statutory independent guardians for all unaccompanied and separated children.”

 Further, both the Northern Irish and the Scottish Governments, as we have heard, have included independent guardians in their new trafficking legislation. Both countries have accepted, without delay, the need for such a system, and are currently drafting regulations to create their own statutory systems, but this Government cannot even keep to their own deadline of March this year to make a simple decision on the future of the scheme.

 In the meantime, hundreds, if not thousands, of trafficked children have been denied their right to independent advocacy. The provision for independent child trafficking advocates in the Modern Slavery Act 2015 was the only substantial, dedicated part of the legislation for children, yet it is the only part to not be enacted. Adult victims of trafficking in the UK receive a specialist response from trained organisations used to working with victims, but that is not the case for children who end up in the care system, often supported by social workers and others who may have had no training whatever on trafficking.

 Without independent advocates, some of the most vulnerable children in our country, including British children trafficked internally for sexual exploitation, must face the complexities and bureaucracies of our care, justice and immigration systems alone. The pilot was criticised and the evaluation found a complex picture of children going missing, but the Government used this as an excuse for why the trial was not immediately continued and expanded.

 Children going missing is a complex issue and not something that can be solved with one simple solution. To expect that advocates could stop children going missing is simplistic and misleading, and is actually not the main focus of the job. There are multiple factors that can lead to a child going missing: being brainwashed to return to their traffickers; inappropriate or unsafe placements; failure to apprehend traffickers; the criminalisation of children who have been exploited; and different agencies failing to communicate. It is, of course, hoped that having independent advocates will help to decrease those issues and, in turn, help to reduce a child’s likelihood of going missing, but we must remember that not all trafficked children go missing.

 Of the children in the trial that did go missing and had an advocate, more than half had not actually met their advocate due to delays in referrals to Barnardo’s by the local authorities. In fact, only 19% of all referrals to Barnardo’s by local authorities were on time. Will the Government commit to investigating the causes of the extensive delays in referring children to the advocacy service?

 Under the Modern Slavery Act, since November 2015, public authorities have had a duty to notify the Secretary of State if they come across a potential victim of trafficking. How many such reports have been made, in particular for children, and what is being done to ensure that front-line practitioners know they have this new duty? Furthermore, will the Government address the issue of visibility of advocates in their relevant local authorities, immigration channels, local safeguarding boards and the criminal justice process, as highlighted in the evaluation?

 It is simply not acceptable, or fair, that children who have been exploited are given such a poor service. The scale of trafficking and abuse in Rotherham highlighted the inability of public authorities to deal with exploitation cases, which left thousands of children disbelieved, disengaged and vulnerable to further exploitation. A system that has been independently shown to benefit these children, to build trust and to increase their visibility to services is not a luxury, but a necessity, if we wish to tackle modern slavery and child exploitation.

 Will the Minister clarify how the Government plan to eradicate modern slavery and be “world leading” in their response to trafficking, when they are delaying a
scheme that is known to benefit and protect children and is already established in many European countries? I agree with the hon. Member for Strangford (Jim Shannon) and ask whether the Minister thinks it is acceptable that children who have been trafficked in Scotland or Northern Ireland will be guaranteed better provision and support than those in England and Wales. Will the Government now act immediately to establish a national scheme of independent child advocates based on the model that was independently evaluated as a success? The Minister has it within her gift to simply tweak, test and modify elements of the scheme throughout its delivery. It is immoral that the Government are procrastinating on the issue and denying trafficked children their right to independent advocacy and the chance to a better, safer future.

3.44 pm

The Parliamentary Under-Secretary of State for the Home Department (Karen Bradley): It is an absolute pleasure to serve under your chairmanship, Mr Streeter. I believe that it is not the first occasion, but I hope it is not the last. I welcome the opportunity for the House to focus on what we all agree is a most challenging and important topic, and for me to set out clearly the Government’s position.

I congratulate the right hon. Member for Slough (Fiona Mactaggart) on securing the debate and on her contribution to this country’s leading work on modern slavery and human trafficking. Through her position as chair of the all-party parliamentary group on human trafficking and modern day slavery and on the Modern Slavery Bill Committee, she has contributed more than many other people and deserves great credit. There are other Members, both here and in the other place, who have also devoted themselves to promoting the issue of child victims of trafficking and making their lives better. I have been grateful for and impressed by the individual and collective achievements on the issue.

Let me be clear from the outset: supporting trafficked children remains a key priority for the Government. I appreciate how many hon. Members are impatient for progress—so am I. We are talking about a vulnerable group of children, who deserve the utmost support and protection. We must ensure that our response is the right one to best support trafficked children. I value the contributions that I have had with many Members who are here today, with those in the other place and with other key stakeholders including Barnardo’s, to which I pay tribute for its work on the trial, ECPAT, UNICEF and the independent anti-slavery commissioner. We have discussed the critical issues and developed better solutions, and I am particularly grateful for all the frankness and honest insights.

The right hon. Member for Slough and others have referred to the delay. It is not a delay to procrastinate; it is about getting it right. She mentioned the Government’s commitment to report in March. I had hoped that we could fulfil that commitment but, when her all-party group and others voiced significant concerns, I did not want to make an announcement that we would need to go back on. I wanted to work with her and other stakeholders to ensure that we got it right.

I do not intend to go into the details of the trial but I want to address a few points regarding its effectiveness. I have listened carefully today and in earlier discussions, and although many good things came from the trial, I cannot agree that it was an unequivocal, resounding success. The outcomes were equivocal. The trial showed some benefits—the children felt listened to and other professionals reported that the advocates were able to co-ordinate different agencies effectively—but in other areas, there were severe limitations.

The evaluation raised a number of operational issues that required further work, including the process for referring children to advocates; the high incidence of missing children, which I will come to shortly; the fact that advocates did not have the legal powers that had been invested in them by the Modern Slavery Act; and the fact that, in some areas, the service was not visible to many agencies.

The hon. Member for Lanark and Hamilton East (Angela Crawley) expressed concern about whether the country was compliant with the EU directive. We are already fully compliant with the EU directive and the Council of Europe convention. Existing provisions ensure that the relevant statutory agencies meet the international obligations. With the trials, we are looking to do additional work to support trafficked children over and above those obligations.

I have to disagree that children going missing is just something that will happen. We should not see that as acceptable. I understand that there is a problem, and I have a round-table discussion on missing children later this week. I am determined that we make the police response and other responses to missing children part and parcel of everyday work. Those are the children who are trafficked. They are the adults who have mental health problems and find themselves locked up in police cells when they should not be. They are the children who are sexually exploited. We cannot stand by and say that it is acceptable that children go missing. A child’s safety and welfare must be the overriding consideration of any child in the care of the Government, where we are acting as their parent.

Mark Durkan (Foyle) (SDLP): I have not heard anyone suggest today that it is somehow acceptable that children are going missing. What people find unacceptable is that the enforcement and implementation of section 48 of the Modern Slavery Act is missing. There seems to be dereliction in the name of perfection. The fact that the pilot showed a need for improvement does not disprove the need for the provisions of section 48.

Karen Bradley: I assure the hon. Gentleman that I will address the next steps later in my speech.

Fiona Mactaggart: The hon. Member for Foyle (Mark Durkan) has made the point that I wanted to make, which is that no one in this Chamber today has said that it is acceptable that children are going missing. No one has said that the Government are wrong to focus on the needs of missing children. I and other Members have said that the advocacy scheme on its own was never going to be able to prevent children from going missing. The fact that some children went missing should therefore not be used as a reason for delaying the implementation of the advocacy scheme. It might be used as a reason for
taking additional steps, such as the risk assessment to which my hon. Friend the Member for Stockport (Ann Coffey) referred, to help prevent children from being added to the large number who go missing.

Karen Bradley: I apologise to the right hon. Lady if she thinks I implied that anyone in this room had said that it is acceptable that children are going missing—I withdraw any suggestion that that was the case. However, the fact remains that just as many children who had an advocate in the pilot went missing as other children, if not more. I take the point that that might be because they had not met their advocate, so we have to get it right and ensure that children do meet their advocate.

I fully appreciate that the scheme is not the silver bullet to resolve the issue of children going missing, but I am determined to ensure that we find a way to make a difference using advocates, who should be there to help prevent young people from going missing. We must stop children maintaining contact with their traffickers, as I suspect some probably have. It is important that we find a way to get this right. I take the point that we should not let perfection get in the way, but that is simply not what is happening.

There were other equivocal issues in the trial. Some children never met their advocate—some went missing before meeting them and some did not meet them full stop—and others did so only infrequently. There was limited evidence of advocates having an impact by assisting children in navigating and getting a better outcome from the immigration or criminal justice systems; in accessing the right health and education services; or even in getting better referrals to, and receiving improved outcomes from, the national referral mechanism. The fact that not all children who were trafficked and had an advocate went into the national referral mechanism raises concerns.

Fiona Mactaggart: The evaluation highlighted that, in a number of areas to which the Minister is referring, the timeline of immigration administration, for example, did not fit the timeline of the evaluation process, so it was not possible for some of those points to be concluded. I have not heard any reason for not implementing section 48. She wants to improve the scheme, but how will continuing without the legislative back-up of section 48 enable the scheme to improve? I do not understand that.

Karen Bradley: I hope the right hon. Lady will forgive me, but I have a little more progress to make.

I welcome the comments from all hon. Members on the comparison with Scotland and Northern Ireland, but it is important that we reflect on the relative scale and complexities of the problem in England and Wales, where we need to work with many different social services, legal systems and police forces. I assure Members that we have taken on board all the learning from the Scottish Guardianship Service, but the circumstances and the models are different. The service in Scotland is only for children for whom no one has taken parental responsibility, and in such circumstances children in England and Wales will receive support from a social worker and, if there are care proceedings, a children’s guardian. We have kept wider criteria for receiving an advocate in the Modern Slavery Act. We have carefully considered what has been done in Scotland, and we have taken much learning from the schemes in Scotland and Northern Ireland, but it is important that we reflect on the differences between the legal systems.

A number of serious questions raised in the model testing tell us that, although the model shows great promise, it is not universally effective. I am convinced that independent advocacy has an important and central role to play in supporting children, but as the Independent Anti-slavery Commissioner has told me in correspondence, further work is needed to get the model fit for purpose. He remains concerned about the lack of evidence from the trial. Although advocates can clearly play a crucial role, we need to consider the whole package, which is centred on each child’s individual needs. This is simply too important to get wrong. We need to ensure that all child victims of modern slavery are properly identified and supported.

Turning to what I intend to do, I am pleased to announce a full package of measures that, collectively, will improve the support we offer to child victims of trafficking. I make it clear so that no one is in any doubt that I am fully committed to commencing section 48 of the Modern Slavery Act and to the full national roll-out across England and Wales of independent advocates for all trafficked children. To support that, following the Independent Anti-slavery Commissioner’s advice, I also propose two interim measures to improve advocacy now and to prepare for the implementation of the new system as soon as possible.

First, I propose to introduce independent child trafficking advocates at three early adopter sites. The competition for providing those sites will be launched this summer. The sites will enable us to refine the model that was previously tested, including by increasing the speed of referral and the number of people and organisations that can make such referrals; testing the use of quasi-legal powers by advocates and the impact that that will have on their effectiveness and their relationships with statutory agencies; and training and recruiting advocates with specialist skills, such as in certain languages or in dealing with particular forms of abuse, so that they can give more targeted support.

Secondly, in collaboration with the Department for Education, the Home Office will commission a training programme for existing independent advocates, who are statutorily provided to all looked-after children. The training will improve their awareness and understanding of the specific needs of trafficked children and how to support them. But that is not enough. I am also determined to address the other concerns raised in both the trial and the feedback from right hon. and hon. Members.

I am therefore pleased to announce that this year the Home Office will establish and launch a new child trafficking protection fund, with up to £3 million of Government funding initially available over the next three years. The fund will be targeted at addressing two key issues where advocacy alone appears to be insufficient and where alternative and additional approaches are needed. The first aim is to reduce the number of children who go missing or who have contact with traffickers. The second is to support children from high-priority states, from which we continually see high numbers of children trafficked to the UK. I want to explore how we can best meet the needs of such children and disrupt the traffickers who target them. We all agree that a culturally targeted approach is likely to be effective and, having
listened to stakeholders, we have decided to launch the fund to promote innovation from stakeholders in all sectors who work with trafficked children and know how best to meet their needs. Critically, such discrete funding could support bespoke local and innovative strategies.

[Sir Alan Meale in the Chair]

Sarah Champion: Can the Minister provide a bit more clarity? Is this Home Office money? Is it targeted at UK work? What does she mean by “this year”? Is it this academic year, financial year or chronological year?

Karen Bradley: That may be one of the detailed points on which I will have to get back to the hon. Lady. I will talk about some of the other points at this stage, but maybe I will write to her with the specifics.

I want to address the concerns raised about accommodation. We are doing two things about that. First, as the Immigration Minister announced earlier this year, we are taking forward plans to review local authority support for non-European economic migrant children who have been trafficked. The review will help improve our understanding of specialist local authority provisions for that group as we implement the Modern Slavery Act.

Additionally, the Department for Education is rolling out training for foster carers and support workers that will equip them to understand better the complexities facing unaccompanied asylum-seeking children who have been trafficked, and to gain their trust to prevent them from running away from safe placements. We are already piloting a new way of delivering the national referral mechanism. The pilot is testing new models of identifying victims, processing cases and making effective decisions. It will help ensure that all victims, including children, can access the support that they need. To underpin all that work, we are developing new statutory guidance on identifying and supporting potential victims of modern slavery and trafficking, on which we intend to consult later this year. It includes specific guidance on how best to support child victims of modern slavery.

Looking more widely, many services that trafficked children receive will be the same as for all children, although tailored to them individually. That is particularly true for children in need or looked-after children. Although only part of our approach, incorporating provision for all trafficked children into what is already there, not increasing their isolation, is the way forward. Setting trafficked children apart runs the risk, among other things, of reinforcing their sense of isolation and further increasing their vulnerabilities.

I appreciate that many hon. Members, like me, may be frustrated that establishing independent child trafficking advocates will take some time, as we need to find and train them, and that they may have concerns about how child victims will be better supported in the short term. That is why I have put forward a range of shorter and longer-term proposals and addressed areas where advocacy does not appear to be the only or best solution. We need to get it right. We must strike the right balance between requirements in secondary legislation, statutory guidance and a provider contract, and I need to engage further with right hon. and hon. Members and others to determine how best to do that, including informally via the modern slavery strategy implementation group, with key voluntary and statutory partners and, of course, via a public consultation exercise, followed in due course by the necessary parliamentary processes.

That will happen in step with a public procurement exercise to seek a provider for the national service. We will monitor outcomes for children who have an advocate in the early adopter sites, and look at whether children are generally being helped across a range of key areas including safety, wellbeing, health, education and criminal justice. We will use the learning from the early adopter sites to refine the model for independent child trafficking advocates, which will then be rolled out across England and Wales.

Fiona Mactaggart: One issue that Kevin Hyland and I have both raised is whether the further assessment can build on the learning from the original pilot. Can the Minister assure the House that she will continue to draw on the information from the first round of pilots, so that we do not waste all that work but use it to inform what she is doing?

Karen Bradley: The right hon. Lady makes an important point and is absolutely right. We need to take what we have already learned, look at early adopter sites and trial new and refined ways of working as we roll out the national process.

The point is that we want to do this right. We will start the process for a national roll-out without delay by ensuring that we have early adopter sites, so that we can trial what we know is successful from the first trial as well as new and different ways of looking at the situation. Although it will take time, I assure all hon. Members that I am determined to move as quickly as possible towards achieving those steps, and in the meantime to implement the immediate improvements that I have outlined. I ask for the continued support of all during that process and stress again that we must get it right for the sake of trafficked children.

I reiterate my commitment to providing an independent advocate to all children who have been trafficked within or into England and Wales, and to getting the arrangements for independent advocates right. The most important thing is to support and protect all trafficked children and ensure that the role of advocates is fully effective. We cannot rush it and risk relying on a sticking-plaster approach to the assumption that we think we have the answer. We must implement fully a considered, holistic and proven solution that meets the needs of trafficked children, who are already vulnerable and may, tragically, be subject to future harm, including from their trafficker, even after coming into the protection system.

I thank the right hon. Member for Slough once again for raising this important issue—I know that she will continue to raise it, and I look forward to that—and for giving me the opportunity to set out the Government’s work. I look forward to our continued dialogue and meetings on this complex issue. I will write to the hon. Member for Rotherham (Sarah Champion) on her specific points, and I assure all Members that I will reflect most carefully on their considered comments and helpful suggestions.
4.5 pm

**Fiona Mactaggart:** I thank everybody who has contributed to this debate. It is clear how seriously people from all parts of the House take our duty to protect vulnerable children. I am still worried that the Minister risks making the perfect the enemy of the good. In her concluding remarks, I did not hear a commitment to offer the sites that she calls early adopter sites the backing of section 48, which is the legal power that advocates need in order to be listened to properly by local authorities. It would be helpful to know—

**Karen Bradley:** I apologise if I did not make this clear: the concern that we had in the trial was that advocates were not using the powers given to them in the Modern Slavery Act. Those legal powers will be available to advocates in the early adopter sites.

**Fiona Mactaggart:** I hope that that means that section 48 will be in place, even if the Minister does it in a way that enables it to be rolled out in places. It is quite clear that without it, local authorities will treat advocates as just the guy from Barnardo’s, which is just not good enough and does not protect children.

The other thing that I did not hear is a response to the point made by my hon. Friend the Member for Stockport (Ann Coffey) about risk assessment. I think I heard a bit of a response when the Minister said that it is not in the interests of trafficked children to put them in a “trafficked children only” box. I felt that that might be a way of resisting proposals to assess, for example, Vietnamese gardeners as being at acute risk of disappearing.

As well as the work that the Minister has described, it is essential to establish a national system of risk assessment that is available to local authorities to protect the children who are at most risk of disappearing. Even if advocates on their own are not sufficient protection, we know that certain groups of children are at particularly acute risk. Designing a scheme that recognises the acuteness of risk to particular groups of children would therefore be sensible, and it would be likely to reduce the incidence of children from those particular groups disappearing.

**Karen Bradley:** The right hon. Lady’s point involves missing children. We are considering fully the points made by the all-party group in the inquiry on missing children, to which I gave evidence and in which I have been very interested. I will respond shortly.

**Fiona Mactaggart:** Good, except that “shortly” in the Minister’s life and my life is “longly” in the life of a 14-year-old. That is the problem that we face. It is not that we believe the Government do not want to do this, or that they have locked the issue in a cupboard and are ignoring it; that is not my accusation. I have a deep concern about the delays that we have faced since we introduced the Act. The Minister, the Home Secretary and many other Ministers have said how wonderful the Act is. It is important legislation, but only if it exists in reality on the ground everywhere. That is necessary if we are to protect children.

I heard the Minister’s perfectly reasonable answer about how the civil service does things, how we are going to run the competition for early adopter sites and so on. I realise that this is not a quick process, but I worry that we are in for more months of delay and that there will be more children who do not have the person they need. It is important that the Minister quickly ensures that section 48 is in place, and that she considers what is at risk of being missed out of the process. The risk is that in trying to design a system that is perfect, we will leave too many children without a person they trust, who can help them to negotiate the ghastly bureaucracy that they will face.

*Question put and agreed to.*

*Resolved.*

That this House has considered independent advocates for trafficked children.

4.11 pm

*Sitting suspended.*
Bangladesh

4.15 pm

Simon Danczuk (Rochdale) (Ind): I beg to move,

That this House has considered the current situation in Bangladesh.

It is a pleasure to serve under your chairmanship, Sir Alan, and I thank the Minister of State, Foreign and Commonwealth Office, the right hon. Member for East Devon (Mr Swire), for attending this very important debate.

Let me briefly set out why we are having this debate and explain what I hope to cover in the time available to me. The current situation in Bangladesh has some relationship to the war for independence in 1971, but it is also very much the result of the seriously flawed general election on 5 January 2014. That election was flawed because the Awami League Government were manipulating the results. They refused to consider the creation of a caretaker Government and they put obstacles in the way of the opposition parties; indeed, they made it impossible for the opposition to take part satisfactorily. That is why the opposition rightly and understandably boycotted that election. As we now creep towards the next general election, we see that the same Awami League Government have become increasingly concerned that they will not win it through legitimate means.

In debating the current situation in Bangladesh, I will talk about, first, the consequences of that flawed general election; secondly, what has been happening recently, particularly some of the atrocities that have taken place; thirdly, what we should anticipate happening next in Bangladesh; fourthly, why all this is relevant to the United Kingdom; and finally, what I hope the Government might consider doing in the near future.

There is irrefutable evidence that democracy has now broken down in Bangladesh. I was in the country just a few weeks ago and I spoke with trustworthy non-governmental organisations. I learned that ballot boxes were now being stuffed with ballot papers for the ruling party in advance of local elections taking place; that opposition candidates were not appearing on the ballot paper when they should have been; that opposition candidates were being “persuaded” not to stand or campaign; and that there are also concerns about the politicisation of the electoral commission in Bangladesh. Added to those issues is the restraint on freedom of expression and the pressure being put on the free press.

Dr Rupa Huq (Ealing Central and Acton) (Lab): The hon. Gentleman is making a very powerful speech, even if it has only just begun.

4.18 pm

Sitting suspended for a Division in the House.

4.30 pm

On resuming—

Dr Huq: As I was saying before we were so rudely interrupted, it is my hon. Friend aware of the Commonwealth Parliamentary Association and the fact that it is having its annual conference in September, with 200-plus nations gathering in Dhaka, Bangladesh? Can the Minister do anything to assure UK parliamentarians who may wish to attend that conference? If we want to meet secular or atheistic bloggers, can we have some assurances on freedom of association? I am not too sure about that, in light of the terrible recent murders that have shocked the world. The fact that my hon. Friend was talking about the opposition and what may happen next reminded me of that point, which I wanted to make him aware of.

Simon Danczuk: I am aware of the Commonwealth Parliamentary Association conference that will take place in Bangladesh. It is a good forum for British parliamentarians and other parliamentarians from across the Commonwealth. It will allow them to be in Bangladesh and express some of the same concerns as my hon. Friend. The point I was making relates in particular to the press. The murder, torture and harassment of journalists is well known. Many are fleeing to Britain and seeking asylum here because of the threats and attacks.

John Howell (Henley) (Con): I have been to Bangladesh on a number of occasions and once during an election period, and they have always been very violent affairs. What is it about this election that makes it different from those earlier elections?

Simon Danczuk: I completely agree that politics runs passionately high in the country, but it is getting unbearable. Some of the points that I will touch on show that things are moving towards a serious situation of civil unrest, and that needs to be addressed. Tensions are perhaps more heightened than when the hon. Gentleman was in the country.

I met Oli Ullah Numan, who came to the UK for the very reasons I described. He was a journalist who wrote disparagingly about the current Government. He soon started feeling that his life was under threat. Talking to him in Rochdale, I could see the stress and fear that his experience had caused him. Most upsetting for him was not that he was now separated from his wife and children, but that he feared for their lives because they remained in the country. Reporters Without Borders rates Bangladesh at 144th out of 180 countries on its world press freedom index and talks about how journalists there have to be very careful about criticising the Government or religion.

If all that was not bad enough, on 4 May, the Bangladesh Government announced the setting up of a media monitoring centre. They are also taking steps to bring social media under similar forms of regulation to those for print and television. Indeed, the draft Digital Security Act provides for sentences of life imprisonment for anyone spreading negative propaganda about the 1971 war of independence or Prime Minister Sheikh Hasina’s father. The Act also provides for the sentencing of anybody who deliberately defames someone or hurts their religious sentiment via digital media to two years in prison, replicating existing provisions in law. Another draft law, the Liberation War Denial Crimes Act, makes similar provisions.

All that is restricting a free press and attempting to quash any criticism of the Government. In addition, we are now seeing attacks on secular bloggers. In 2015, four were murdered: a gentleman called Roy in February, Rahman Babu in March, Bijoy Das in May and Chakrabarti in August. While al-Qaeda takes responsibility for some of the attacks, a group called Ansarullah Bangla Team also takes some responsibility. It has published a hit list that includes UK-based bloggers.
On 6 April, a law student and blogger was murdered by a group linked to al-Qaeda. The Awami League Home Office Minister’s response was simply to tell bloggers to be more careful what they wrote about. On 23 April, a university professor was hacked to death and Daesh claimed responsibility. On 25 April, two people were hacked to death, including the editor of a lesbian, gay, bisexual and transgender magazine, and again an al-Qaeda affiliate took responsibility. Then, on 30 April, a Hindu man was murdered and Daesh claimed responsibility. Those from the tiny Shia Muslim minority have also become prominent targets, with processions and their mosques facing attack. Last month, an elderly Buddhist monk was hacked to death. Religious minorities, writers, bloggers and publishers have continued to be attacked and murdered, and that has had a chilling effect on freedom of expression in Bangladesh.

The breakdown in law and order continues with the gross violation of human rights. Amnesty International regularly reports on what it calls enforced disappearances, and it clearly holds the security forces responsible. It talks of officers in plain clothes arresting dozens of people but then denying any knowledge of their whereabouts. A survey of national newspapers conducted by the human rights organisation, Ain o Salish Kendra, indicated the enforced disappearance of at least 43 individuals, including two women, between January and September 2015. Of the 43, six were later found dead, four were released after their abduction and five were found in police custody. The fate and whereabouts of the other 28 is unknown. Human Rights Watch has also criticised the authorities’ use of excessive force, which includes the extra-judicial killings of opposition supporters. In particular, the Rapid Action Battalion is singled out as being involved in the extra-judicial killings and disappearances. Mass arrests are taking place, with experts stating that they are aimed not so much at Islamic extremists or terrorists but more at political opponents.

If all that were not bad enough, the justice system is seen as biased and is being used to silence the Government’s political opponents, not least through what is called the International Crimes Tribunal. The tribunal has been condemned by the United Nations because it does not meet international standards. It is clearly politicised and is being used not to serve justice for crimes against humanity during the 1971 war of independence but to provide political results. That is perhaps best illustrated by the fact that both Jamaat-e-Islami and Bangladesh Nationalist party leaders have faced the death penalty following flawed trials at the tribunal.

Besides that, allegations are regularly made by the current Government against political opponents, tying them down in legal battles and constraining them through threats of police action and prison. As we steadily move towards the next general election in Bangladesh, the Government appear to be making more allegations, particularly against those political opponents who are particularly popular. Attempts are being made to use the judicial process to thwart the electoral chances of opponents such as Tarique Rahman and Khaleda Zia. It is as though the Awami League is trying to choose its opponents for the next general election. Indeed, the next general election could well be more corrupt and fraudulent than the last. We are observing Bangladesh collapse into chaos. As a consequence, we are also seeing a rise in Islamist extremism. The erosion of civic space, the demolition of democracy and the reduction of human rights are all causing a void that is being filled by fundamentalists.

Unhelpfully, the Bangladesh Government often deny that Daesh has a presence in the country and have criticised foreign intelligence agencies and independent commentators who have suggested otherwise. Such a “head in the sand” mentality helps nobody, but neither does the mentality of Bangladesh’s high commissioner to Britain, who recently went on the BBC Radio 4 “Today” programme and claimed, to the astonishment and disbelief of the presenter and audience, that some of the extremist murders are being committed by the Bangladesh Nationalist party. That can be bettered only by Bangladesh’s Minister of Home Affairs, who recently blamed Israel for some of the attacks. Let me be clear: it helps nobody to deny that there is a problem with extremism in Bangladesh, but it is deeply corrosive and haunting to play party politics with Islamist terrorism, as the high commissioner did.

Britain and Bangladesh have very strong ties. We trade heavily with each other. We rely heavily on the Bangladesh garment industry. We have the largest Bangladesh diaspora in Europe. We enjoy the cultural experience that Bangladeshi bring to Britain—indeed, we rely heavily on Bangladeshi chefs to cook our national dish, chicken tikka masala. Bangladesh relies on aid from Britain, and on the remittances that are still being sent home. We share space and understanding within that great institution, the Commonwealth. I have grave concerns for the people of Bangladesh. The problems seem to be escalating. Human rights abuses are increasing dramatically. State violence is becoming extreme. I am worried that the country is steadily slipping towards civil unrest and, potentially, civil war, which is why I suggest that our Government take further action.

What more does the Minister think can be done? I accept that the Foreign Office has recently designated Bangladesh a human rights priority country, but more pressure needs to be applied. What more can the British Government do to press Sheikh Hasina’s regime to start holding free and fair elections and to move towards a free and fair general election? Do the Government believe that some of our aid budget for Bangladesh is going into institutions, such as the Election Commission Bangladesh, that are clearly politicised and favour one party over another? If so, what should be done? Does the Minister have any concerns that weapons or equipment from the UK may be used by the security forces to suppress political activists, restrain political liberty and reduce freedom of expression? Does the Minister agree that it is now inappropriate to consider sanctions against Bangladesh? Perhaps we should at least refuse entry to the UK for those in Bangladesh who are clearly responsible for some of the abuses we are discussing.

I know that there will always remain a very strong bond between Britain and Bangladesh. Indeed, our relationship allows us to be critical friends. The time has now come for the British Government to be a little more critical and a little less friendly to the current Bangladesh regime.

Sir Alan Meale (in the Chair): I shall call any other Members who wish to participate, but I should indicate to them that there are only around three to four minutes
before I call the Minister to respond to the mover of the motion, who will wind up the debate at the end. If more than one Member wishes to speak, they should understand that if they are to be fair, there is limited time for them to make a representation. I call Rupa Huq.

4.43 pm

Dr Rupa Huq (Ealing Central and Acton) (Lab): Sir Alan, it was my intention only to make an intervention about the bloggers and the fact that the Charter of the Commonwealth, by which the Commonwealth Parliamentary Association abides, ensures the fundamental freedom of association. I am particularly interested to hear from the Minister whether Her Majesty’s Government are making representations to the Government in Bangladesh to ensure that fundamental right when the conference takes place in September.

As you have given me the floor, Sir Alan, I would like to echo some of the comments made by my hon. Friend the Member for Rochdale (Simon Danczuk) about the Bangladeshi diaspora. I am one of three Members of Parliament of Bangladeshi origin in this House. My hon. Friend painted a rather depressing portrait. I believe it was George Harrison who wrote a song about Bangladesh being a terrible mess. Some of the sentiments expressed by my hon. Friend seem to give weight to that opinion, although it was expressed only in popular song. It is a country that has been monitored on many fronts: democracy, human rights and freedom of association. I am looking forward to hearing the Minister’s speech.

Sir Alan Meale (in the Chair): Of course the hon. Lady is a senior politician in this place and she knows the rules. Debates in Westminster Hall operate under strict timetables. The mover of the motion has indicated that he wants the Minister to reply to the questions he posed. If any time is left, it can be granted to other Members, but we now have to move on because we are approaching the witching hour, when the Minister has to be called.

4.45 pm

The Minister of State, Foreign and Commonwealth Office (Mr Hugo Swire): I congratulate the hon. Member for Rochdale (Simon Danczuk) on securing this important debate and commend the consistent commitment he has shown to Bangladesh, both as a member of the all-party group on Bangladesh and as an MP representing British nationals of Bangladeshi heritage. I thank the hon. Member for Ealing Central and Acton (Dr Huq) for her contribution. As the Minister with responsibility for bilateral relations with Bangladesh and for the Commonwealth, I will try to address as many of the points raised as I can in the time available.

As the hon. Member for Rochdale said, the relationship between the UK and Bangladesh is strong. That relationship is enhanced, and British society as a whole is enriched, by the diaspora community. As a close friend of Bangladesh and fellow members of the Commonwealth, we care deeply about what happens there, both now and in future. We want Bangladesh to develop into an economically successful country that maintains its Bengali tradition of respect and tolerance for people of all faiths and backgrounds.

In June last year, the House debated Bangladesh against a backdrop of political unrest, the brutal murders of bloggers, and allegations of extrajudicial killings and enforced disappearances. Since then, there have been more attacks against minority groups and those who hold views counter to traditional values and beliefs. Responsibility for many of the attacks has been claimed by Daesh, or by groups affiliated to Al-Qaeda in the Indian Subcontinent. As has been pointed out, there has also been pressure on opposition parties, including the Bangladesh Nationalist party, and on dissenting voices in the media and civil society.

Peaceful, credible elections are the true mark of a mature functioning democracy, and all political parties share a responsibility for delivering them. The UK will continue to engage constructively with all parties in Bangladesh, and with international partners, to work towards that end. It is generally recognised that a shrinking space for democratic challenge and debate can push some towards extremist alternatives. I am deeply concerned that the recent appalling spate of murders is becoming an all-too-common occurrence. The Prime Minister discussed our concerns with the Prime Minister of Bangladesh, Sheikh Hasina, on 27 May in Tokyo, highlighting the fact that extremist attacks risk undermining stability in Bangladesh. I also raised those concerns with the Bangladeshi high commissioner on 24 May, and our high commissioner in Dhaka regularly discusses these issues in meetings with the Bangladeshi Government.

I welcome the commitment by the Government of Bangladesh to bring those responsible for recent extremist attacks to justice. We have also made it clear, in public and in private, that justice must be done in a manner that fully respects the international human rights standards that Bangladesh has signed up to and which, as a member of both the Commonwealth and the UN Human Rights Council, it has pledged to uphold.

Mass arrests and suspicious “crossfire” deaths at the hands of the police undermine confidence in the judicial system. Investigations must be conducted transparently and impartially, irrespective of the identity of the victim or the alleged perpetrator. Anyone arrested should be treated in full accordance with due process and Bangladeshi law. It is also important to explore the root causes of the attacks involving international links.

We urge Bangladesh, as a vibrant, modern and rapidly growing democracy, to protect and promote freedom of expression as one of its core values. Prime Minister Hasina has repeatedly extolled the secular, tolerant nature of Bangladesh. Her Government must be unequivocal about protecting the rights of all citizens, including those who express different views or lead different lifestyles. The victims themselves should not be blamed.

As recent events in the United Kingdom, France, the US and elsewhere sadly show, Bangladesh is not alone in having to face the scourge of extremist violence. All countries must stand together to combat extremism and terrorism. This is not a challenge to be faced in isolation. We can and will do more to engage with the Government of Bangladesh on areas of shared concern, such as counter-terrorism, counter-extremism and the promotion of human rights for all. At the same time, our development
programme—still one of our largest—continues to address some of the root causes, including poverty and economic marginalisation.

The threat of terrorism and extremism affects us all. It should not be faced alone, and it is incumbent on us all to work together to promote tolerance and acceptance. The protection of human rights is a core value of the UK and of the Commonwealth. The hon. Member for Ealing Central and Acton asked about the CPA meeting later in the year in Bangladesh, and I urge the new secretary-general of the Commonwealth, Baroness Scotland, to visit Bangladesh as soon as she can in order to assess the situation for herself. We will continue to encourage the Prime Minister, Sheikh Hasina, to deliver on her commitments to tackle terrorism, to protect human rights and to do so in a way that is compliant with the rule of law and due process, which is in both our interests. Bangladesh has a long-term vision to be a peaceful, prosperous and developed nation; the UK shares that aspiration and wants to be a friend of a vibrant, stable and economically successful Bangladesh.

I again thank the hon. Member for Rochdale for the opportunity to debate the issues, and I thank all other hon. Members for their contributions.

4.53 pm

Simon Danczuk: I thank hon. Members for their contributions and interventions, and I thank the Minister for his response to the issues that I have raised. Without doubt, we all want to see solutions to the problems that are obviously occurring in Bangladesh, and I am pleased to hear that the Prime Minister spoke to Sheikh Hasina as recently as last month.

I still have some concerns. We are fast approaching CHOGM, the Commonwealth Heads of Government meeting, which will be held in London in a year or two. I hope that more progress will be made in Bangladesh before we get to that stage. Finally, we are left with three questions that the Minister still needs to answer: first, is any British aid being used in a partisan way; secondly, is there use of any weapons or equipment to suppress political opposition; and, thirdly, at what stage would Britain consider sanctions against Bangladesh, if the situation does not improve?

Sir Alan Meale (in the Chair): May I suggest to the hon. Gentleman, when he goes over his deliberations in Hansard tomorrow, that he might take the view expressed by Ms Huq and contact the CPA to warn it that this matter came up in the course of his debate? He could ask the CPA to ensure that all precautions are taken in the event of the conference taking place.

Question put and agreed to.

Alcohol Consumption Guidelines

4.56 pm

Byron Davies (Gower) (Con): I beg to move,

That this House has considered guidelines on alcohol consumption.

It is a pleasure to serve under your chairmanship, Sir Alan. I am delighted to have secured this topical and timely debate following the conclusion of the public consultation on the proposed new guidelines on alcohol consumption. Given the scale of public interest and levels of public and industry concern about this important issue, I am pleased to see so many colleagues here this afternoon from across the House to support the debate. I want to be clear from the outset. I recognise the necessity for sensible and effective guidelines to help consumers—our constituents—to make better informed decisions about the amount of alcohol they consume. Ministers were right to ask the chief medical officer to carry out a review of the guidelines, and it is important that the guidance reflects the most up-to-date scientific evidence that is available across the world and that that is properly communicated to consumers.

I declare an interest as a member of the all-party beer group—unashamedly, given that 30 million adults across the UK drink beer each year and 15 million of us visit the pub each week. But I also know that this issue is a matter of concern for anyone who enjoys a drink and wants to drink responsibly.

We have made great strides in this country in promoting responsible enjoyment of alcohol through a partnership approach with industry. That achieves much more than a draconian approach to taxation or heavy-handed regulation. As a Conservative, I want to treat adults as adults and let them have the freedom to make informed choices about how they live, what they eat and drink and how they enjoy their lives. As a responsible Conservative, I also know that industry has a role to play in promoting responsibility through advertising campaigns, voluntary labelling initiatives and provision of consumer information.

We have achieved a great deal, successfully reducing alcohol deaths and hospital admissions due to alcohol by 41% since 2007. According to Public Health England, alcohol-related and alcohol-specific deaths have fallen since 2008 by 7% and 4% respectively. The number of children drinking alcohol has fallen by more than 50% since 2003 and is currently at the lowest rate on record. According to Public Health England, under-18 hospital admissions due to alcohol have fallen by 41% in the past six years.

The Office for National Statistics confirms that binge drinking has fallen by 25% since 2007. According to Public Health England, alcohol-related and alcohol-specific deaths have fallen since 2008 by 7% and 4% respectively. The Office for National Statistics confirms that alcohol-related violent crime has fallen by 40% since 2007. The number of children drinking alcohol has fallen by more than 50% since 2003 and is currently at the lowest rate on record. According to Public Health England, under-18 hospital admissions due to alcohol have fallen by 41% in the past six years.

John Howell (Henley) (Con): The statistics that my hon. Friend has produced are absolutely fascinating. Of course, in the popular press, the one place that is singled out for its continuation of the old culture of drinking is the Palace of Westminster. Does he have a view on what role we should play in setting an example and does he agree that over the past few years the Houses of Parliament have been behaving absolutely immaculately?

Byron Davies: I thank my hon. Friend for that intervention. I can only quote my own example, which is one of extreme caution with alcohol, but it has
been thoroughly enjoyable at times in the 12 months since I have been here. Of course, we should not be complacent.

**Dr Daniel Poulter** (Central Suffolk and North Ipswich) (Con): I commend my hon. Friend for securing this debate. Does he recognise that we have to be wary of some of the statistics on alcohol-related admissions and alcohol-related morbidity and mortality data? Often, data on admissions to mental health hospitals are poorly collected. Indeed, now that public health services are divorced from the NHS and run by local authorities in England, we must be careful in assuming there is a downward trend. In fact, there is still a real problem with the overlap between mental health conditions and alcoholism.

Byron Davies: I am grateful for that intervention. I accept that we have to be very careful on that issue.

We should not be complacent. It is essential that public health advice keeps pace with advances in scientific understanding. Crucially, the communication of any guidance from the state must be seen to be above reproach and carry the confidence of industry and the public alike. However, I felt this debate was needed because I and several other hon. Members are concerned that the process by which the chief medical officer reaches their conclusion is flawed and has, in some ways, been hijacked by a group of campaigners with a clear anti-alcohol, total abstinence agenda.

Views are strongly held on this subject, which divides scientific opinion and the medical community. I recognise that that puts the CMO in a difficult position in making judgments about risk and in communicating sensible guidelines to consumers. We are bombarded with health advice from all quarters in this 24-hour social media age, and it is vital that anything published in an official capacity as advice from the Government’s chief medical officer is properly scrutinised and beyond reproach. I argue that the process that has been adopted, the clear conflicts of interest of the panel of so-called experts deployed to deliberate on these matters and the biased presentation of the findings have left a crisis of confidence in the new CMO guidelines among consumers, the media and industry. The Minister needs to address that in her response to the public consultation.

Let me deal with those points in turn. First, on the process adopted to undertake this review, the Department of Health guidance for expert group members states clearly:

“It is important to avoid any impression that expert group members are being influenced or appearing to be influenced by their private interests in the exercise of their public duties. All members therefore must declare any personal or business interests relevant to the work of the expert groups which may or may not be perceived by a reasonable member of the public to influence their judgment.”

Members of the guidelines development group set up to advise the CMO have been active policy advocates during the time in which the guidelines have been developed. Thanks to the investigative journalism of Sean O’Neill, chief reporter at *The Times*, it has come to light that an academic who played a key role in drawing up the controversial new safe drinking limits, Professor Gerard Hastings, did not even declare his links to the Institute of Alcohol Studies, a registered charity that receives most of its income from the Alliance House Foundation, which states that its aim is spreading the principle of total abstinence from alcoholic drinks. That is not quite putting Dracula in charge of a blood bank, but it is not far off.

Policy advocates such as Professor Hastings have taken strident campaigning positions. Many have a temperature or total abstinence axe to grind. They are clearly not neutral or, I argue, objective in their assessment of the costs and benefits of alcohol consumption. Indeed, the chief medical officer for England, when giving evidence to the House of Commons Science and Technology Committee on the proposed new alcohol guidelines, admitted that the experts “found remarkably little evidence about the impact of guidelines, but we did not do them to have direct impact so much as to inform people and provide the basis for those conversations and for any campaigns that, for instance, Public Health England and others might run in the future.”

One member of the behavioural expert group, Dr Theresa Marteau, writing in the *British Medical Journal*, went further and stated that the new guidelines are “unlikely to have a direct impact on drinking...but they may shift public discourse on alcohol and the policies that can reduce our consumption.”

Minutes from the guidelines development group meeting of 8 April 2015 state:

“It would be important to bear in mind that, while guidelines might have limited influence on behaviour, they could be influential as a basis for Government policies.”

There we have it. Never mind what consumers think about being told by the chief medical officer to think of cancer every time they hold a glass of wine or pour a can of beer, or that, as someone drinking a pint of beer a day, they are drinking more than they should. The not so well hidden agenda of the temperance activists is to influence Government policy to drive down alcohol consumption across the board. Wales has a strong Methodist and temperance tradition, which I respect, but I take issue with organisations such as the Institute of Alcohol Studies, which is funded directly by the temperance movement, helping to produce biased reports that are then given undue influence over the Government’s alcohol policy.

Having raised my concerns with the process adopted in undertaking the review, which I believe may have prejudiced the outcome and has certainly rendered the process lacking in credibility with consumers and the industry, I turn to the presentation of the review’s findings and, in particular, to the assertion that there is no safe level of alcohol consumption, the lowering of the recommended weekly levels for men in line with those for women, and the communication of risk. I believe that that assertion is at the heart of the flawed nature of the proposed guidelines and it is, in some respects, clearly deliberate on the part of campaigners. If the Government accept that there is no safe level of consumption, it becomes much easier to argue for more restrictions on alcohol availability.

Graham Stringer (Blackley and Broughton) (Lab): I agree with the points the hon. Gentleman is making, specifically and generally. Does he agree that, not just on these guidelines but right across the board, Governments
of all political colours have made a mistake in involving campaign groups and pretending that they are scientific experts? It is not just on alcohol, but in all sorts of other areas.

Byron Davies: I could not have put it better myself. I thank the hon. Gentleman for that intervention.

As I said, it becomes much easier to argue for more restrictions on alcohol availability, higher taxation of all alcohol regardless of strength, and more alarmist public health advertising to frighten people away from drinking. I am not a medic, but I have been around long enough to understand the old adages of “a little bit of what you fancy does you good” and “all things in moderation”—including international science. Indeed, looking into this further, I have discovered decades of evidence that shows the protective effects of low, moderate drinking.

Patricia Gibson (North Ayrshire and Arran) (SNP): Does the hon. Gentleman agree that new, revised alcohol guidelines will not of themselves necessarily change or reduce drinking, but they will increase awareness of potential harm? That is surely a good thing.

Byron Davies: I am not quite clear on the hon. Lady’s point. I genuinely believe that this is a kind of social engineering, which I totally disagree with. A recent survey commissioned by the Campaign for Real Ale showed that a majority of GPs disagreed with the new advice and believes that drinking alcohol in moderation can be part of a healthy lifestyle.

Dr James Davies (Vale of Clwyd) (Con): I congratulate my hon. Friend on securing this debate. As a GP, I can confirm the current lack of faith in the validity of the guidelines. Many feel, for instance, that the social benefits of moderate alcohol intake have not been given sufficient weight. Does he agree that, if they are to be observed, it is vital that guidelines are trusted?

Byron Davies: That is the crux of the matter—my hon. Friend makes a very valuable point, which I am delighted that he, as a practising GP, has made.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): The hon. Gentleman talks about the alcohol guidelines as social engineering, which I totally disagree with. A recent survey commissioned by the Campaign for Real Ale showed that a majority of GPs disagreed with the new advice and believes that drinking alcohol in moderation can be part of a healthy lifestyle.

Byron Davies: The pub is a crucial part of the social and cultural fabric of the UK. There are few things that are as crucial a part of our identity and history as the casual, relaxed pub culture that Britain has enjoyed over hundreds of years. Indeed, the importance of the pub—casual and social drinking—to people’s mental and physical wellbeing is marked.

As a nation, we have always believed in the fundamental good sense of the British people and, although my confidence was shaken by last week’s events, we have allowed people to decide what is best for their own lives. The pub is a crucial part of the social and cultural fabric of the UK. There are few things that are as crucial a part of our identity and history as the casual, relaxed pub culture that Britain has enjoyed over hundreds of years. Indeed, the importance of the pub—casual and social drinking—to people’s mental and physical wellbeing is marked.

The pub is The Hub has supported many pubs across the length and breadth of the UK to stay open, become community owned and offer vital services. The services on offer include internet lessons and provisions, restaurants,
post offices and shops. The pubs have been transformed into a social hub and are providing services that are vital to communities’ very survival. I fear that alarmist advice threatens not only pubs but the threads with which our communities are woven together.

To further support my case, the findings of Oxford University suggest that pubs in general, and local community pubs in particular, may have unseen social benefits. Pubs provide us with a venue in which we can serendipitously meet new and, in many cases, like-minded people. They offer an opportunity to broaden our network of acquaintances, which has advantages. There is a potential to translate acquaintances into new friendships and to widen our contact with a greater diversity of cultural groups by bringing us into contact with people from other walks of life and other cultures, whom one might never otherwise meet.

Pubs allow us to engage in conversation with, and get to know better, other members of our local communities. By extension, they allow us to mix, meet a wider range of community members, and interact with a greater diversity of social classes and cultures than would otherwise be the case if our social world was confined to work and home.

Closer to home and on the benefits of moderate alcohol consumption, Dr Richard Harding was a member of the Government’s 1995 inter-departmental working group on sensible drinking. In written evidence submitted to the Science and Technology Committee in 2012, he outlined the changes in available evidence since 1995, including the strengthening of the evidence base around the range of health benefits of moderate alcohol consumption. He said that the key findings are:

“Clear evidence that the frequency of drinking is as important as, or even more important than, the amount of alcohol consumed. All epidemiological studies show that the more frequent drinkers, including daily drinkers, have lower risks for many diseases than do individuals reporting less frequent drinking… Firmer evidence for the protective effect of moderate alcohol consumption for coronary heart disease, as well as further clarification of the mechanisms for the protective effect… Evidence for an approximately 30% reduction in risk for type 2 diabetes for moderate drinkers… Evidence that moderate drinkers have less osteoporosis and a lower risk of fractures in the elderly compared to abstainers… Evidence that light to moderate drinking is associated with a significantly reduced risk of dementia in older people… Increasing evidence that moderate drinking should be considered as an important constituent of a ‘healthy lifestyle’.”

Dr Alexander Jones of the University College London Institute of Cardiovascular Science says:

“There have been a couple of studies which showed that if they were randomised to either just eating a Mediterranean diet or eating a Mediterranean diet and drinking a glass of red wine a night, that those who drank a glass of red wine a night had better cardiac function over time.”

That international consensus is rejected at a stroke by the CMO’s proposed new guidelines in favour of a “no safe limits” narrative. The statement of no safe levels sends out confusing and contradictory messages to consumers and will serve only to generate public mistrust in the health service.

David Shaw, senior researcher at the Institute for Biomedical Ethics at the University of Basel says that the “no amount is safe” message undermines the new recommended limit for men and the retention of the limit for women. Why should people attempt to adhere to the new limits rather than the old ones if they are also being told that the new recommended levels are not safe? Giving such a mixed message further increases the likelihood that the guidelines will not be taken seriously.”

Dr Augusto Di Castelnuovo, professor of statistics and epidemiology at the Institute for Cancer Research in Italy says:

“The new recommendation that there is no ‘safe’ alcohol limit is misleading: low to moderate consumption up to one-two units a day in women, up to two-three in men of any type of alcohol—with the possible exception of spirits—significantly reduces the risk of cardiovascular disease. Moderate drinking is associated with a modest excess risk of oral and pharyngeal, oesophagus.”

I will forget that word—

“and breast cancers. But the balance between these two different effects is in favour of drinking in moderation.”

As well as concerns about the language of “no safe level”, considerable concern has been expressed about the communication to consumers of the level of risk associated with alcohol consumption. It is really important that we put risks in context so that consumers can make informed choices.

Ignorance of the international evidence has been heavily criticised by the Royal Statistical Society. In the key points in its response to the consultation, it states:

“We are concerned that, in their recent communications about alcohol guidelines, the Department of Health did not properly reflect the statistical evidence provided to the Expert Guideline Group, and this could lead to both a loss of reputation and reduced public trust in future health guidance… We are concerned that scepticism concerning the guideline process might apply to future pronouncements concerning arguably much greater health risks associated with inactivity, poor diet and obesity that, unlike alcohol consumption, are increasing problems. Once public trust has been lost, it is extremely difficult to win back, and you will have lost a key tool in managing future behavioural change.”

Those key points are on not just alcohol consumption but how we will view future medical advice from the Department of Health. The public must have confidence in our great institutions and be of the belief that they are serious and sober in their analysis while also realistic about people’s life choices and lifestyles.

We have worked so hard as a nation, with industry and Government working hand in hand to reduce serious problem drinking. Do not misunderstand me: I know there is some way to go on this matter and I am fully supportive of the efforts to curb problem drinking and tackle its health effects, but we must not remove industry from this process and we cannot let serious medical advice be tainted by alarmist and prescriptive guidelines that threaten to undermine the whole process we have embarked on.

Let me turn to the new CMO 14-unit weekly prescription for men and women, which would effectively make 2.5 million more of our male constituents problem drinkers overnight, classed as increasing risk from low risk by virtue of the fact that they might drink more than one pint a night in the pub. Immediately following this announcement, we saw The Guardian’s front page article asserting that as we now have in excess of 10.5 million people “drinking harmfully”, further regulatory interventions were needed. That was backed up by members of the Guidelines Development Group, including the chief executive of the Institute of Alcohol Studies. Job done—they moved the goalposts and scored straight away. But the established international precedent in 30 countries worldwide is that men and women are set
different guidelines reflecting differences in alcohol metabolism due to body size and weight as well as the lower body water content and higher body fat content of women. Aside from the UK, there are only five other countries that recommend the same guidelines for men and women: Australia, the Netherlands, Albania, Guyana and Grenada.

Dr Erik Skovengaard from the Scandinavian Medical Alcohol Board and board member at the European Foundation for Alcohol Research said:

“I am surprised to see the same limits for weekly alcohol consumption for men and women, in spite of the well-established greater susceptibility of women. The danger is that the new guidelines will give women the false impression they are on a par with men in their ability to tolerate alcohol.”

The CMO told the Science and Technology Committee that the guidelines were primarily informed by new evidence on alcohol and cancer:

“the science has moved on...we know a lot more about the impact of alcohol on the development of cancer and on the risk of cancer”

yet guidelines for women have remained the same, while guidelines for men have been reduced based on modelling of acute harms such as accidents and injuries. I simply cannot concur that that is sound medical advice on a number of levels.

Those of us who favour a partnership approach to these matters are very concerned that this triple lock—of proceeding with the language of “no safe level” in the face of international evidence to the contrary, of promoting the notion that men and women have equal tolerance levels to alcohol and of Britain needing to have the most stringent alcohol guidelines in the world, despite the positive recent developments in tackling alcohol harm—is a triple whammy that threatens to undermine the significant recent progress we have made, with industry and Government working together to tackle alcohol harm.

Sir Alan Meale (in the Chair): I have a few guidelines for Members before we continue. We have overrun quite a bit, and we are now scheduled to conclude at 6.27 pm. It is normal practice to give a couple of minutes to the mover at the end to wind up, with the Minister getting 10 minutes and the two Opposition spokespeople five minutes each, which takes us to 6 o’clock. We do not have much time left for Back Benchers, but there is sufficient time for Members to get their message across.

5.51 pm

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for Gower (Byron Davies) on securing this debate. I am conscious of the shortness of time, but I will try to bring some balance to the debate. I have great respect for the Minister, but we have to consider the guidelines. The guidelines are based on the recommendations of the advisory group, which asked the Sheffield alcohol research group to publish a report, and they are very clear: men and women should not regularly drink more than 14 units a week and, if they drink as much as 14 units, it should be spread evenly over three or four days. The Royal College of Nursing, Cancer Research UK and the National Institute for Health and Care Excellence support the guidelines. There is a clear link between alcohol and cancer. Those are the medical facts on which the Minister will respond.

The Campaign for Real Ale has raised many concerns, and it alleges that there is overwhelming evidence that moderate alcohol consumption can be part of a healthy lifestyle. The hon. Gentleman made that point clearly in his introduction. It is about balance and people knowing their limits. He also mentioned promoting social wellbeing, and for many people modest alcohol consumption in pubs enables us to build friendships and create a sense of community.

The industry was thought to be dying, with literally dozens of pubs closing each week, but pubs have now become vital community facilities that bring local people together. Pubs have increasingly diversified to provide much-needed services such as village shops, post offices and even housing for defibrillators. We have seen a beer revolution, and there is no constituency anywhere in the United Kingdom that does not have its own local beers and local gins. Alcohol sales are worth some £40 billion, which does not factor in the associated income from activities and events involving alcohol. Wines and spirits directly and indirectly support 512,000 jobs, 69% of which are directly dependent on the industry’s stability and success.

The issue of problem drinking has to be addressed. The industry points to the fact that most people in this country are moderate drinkers. Research shows that 60% of alcohol sales are made either to those who are risking their health or to harmful drinkers who are doing themselves potentially lethal damage. More than 1 million hospital admissions a year are related to alcohol—double the number 10 years ago.

The UK has an alcohol problem, but as with many policy areas, striking a balance, while incredibly difficult, is essential. We cannot harm those who want to enjoy a drink—not to the point that they end up in A&E—but at the same time it is right to warn people of the perils of excessive drinking. The solution lies in education from as early an age as possible. We still have teen
drinking; despite existing education and awareness campaigns, the reality is that teen drinking continues. People need to be made aware why they need to watch what they drink, rather than simply being told to do so.

I will conclude, because I am very conscious that other Members want to speak. Recommendations seem to be continually ignored by all age groups, which is regrettable. To see real change—the change we want—there needs to be more awareness, and that awareness needs to be created in a positive manner, so that drinkers manage their own intake because they want to and not because they are being coerced into doing so.

5.55 pm

Andrew Griffiths (Burton) (Con): It is a great pleasure to serve under your chairmanship, Sir Alan, and to address the issues raised by my hon. Friend the Member for Gower (Byron Davies). They are hugely important issues and he got into the detail of them.

I am also pleased to take part in a debate with the Minister, because she has worked really constructively with the industry during her time in office. The work that she has done in lowering the alcohol by volume in drinks, as a result of working closely with the industry, has taken a billion units out of consumption. That shows that constructive working can have a huge impact on the nation's health and the nation's drinking habits.

I should declare an interest as the chairman of the all-party group on beer, and colleagues should see my entry in the Register of Members' Financial Interests; I am also the patron of a drug and alcohol rehabilitation centre in my constituency. I want to see a healthy drinks industry and a healthy population, and those two things are not mutually exclusive.

In Government, we used to have something called "the nudge unit", to try to persuade people and help them to make the right choices. However, we are seeing "Project Fear" in this approach and we saw in the referendum that that approach simply does not work. At a stroke, we have made 2.5 million people problem drinkers. Let me tell the tale of my auntie, Irene. She died at the age of 88. Before she died, she used to enjoy a bottle of Mackeson Stout every evening. According to these guidelines, she was a problem drinker. That is what we have done. These guidelines are so against the grain of the way that people live their lives that we risk people ignoring them and ignoring other advice, and going on regardless, so that the guidelines become absolutely pointless.

For instance, Sir Alan, you will be surprised to know that according to these guidelines the Minister can drink exactly the same amount of alcohol as my right hon. Friend the Member for Brentwood and Ongar (Sir Eric Pickles). I have never been drinking with the Minister, but that does not seem to make any sense at all.

Sir Alan Meale (in the Chair): Before I call the last two speakers, I should inform you that, as I said before, we will have to start the winding-up speeches at five minutes past 6, so if you can, please share the time remaining.

6 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): I will be as brief as possible, Sir Alan. I thank the hon. Member for Gower (Byron Davies) for securing this debate. The main point that I want to make is that this entire debate must be viewed in the context that we across the United Kingdom have a problematic relationship with alcohol. We know that the new guidelines will not automatically change how people drink or their relationship with alcohol, but if they do anything at all to raise awareness of the risk of harm and the newly discovered and developing link between cancer and alcohol intake, I for one think that that is a good thing.

In the Scottish Government, we are considering minimum pricing for alcohol as one tool in a whole host of tools to redefine our relationship with alcohol, but to call a revision of the guidelines for consumption "social engineering" is a step too far. I do not think that over-the-top comments are helpful in this debate. I speak as somebody who has a great affection for a glass of wine at the end of the evening. We all want the same thing; we want people to enjoy moderate, healthy drinking.

We do not want to demonise alcohol. Most people do not have a problematic relationship with alcohol, but we cannot ignore the fact that it is a blight on too many families and communities. If we can raise awareness of risk and harm and educate the public, not dictate to them, so that they can make informed choices, I genuinely cannot understand why anybody would have a problem with that. I will conclude my remarks on that note.
6.2 pm

Mike Wood (Dudley South) (Con): We as Members should question the credibility of alcohol advice, but our primary role is surely to consider the wisdom and effectiveness of such guidance from a public policy viewpoint. The guidelines fail to acknowledge the decades of research demonstrating that moderate alcohol consumption is compatible with a healthy lifestyle. Multiple studies since the 1970s show that light to moderate alcohol drinkers have a lower mortality rate than non-drinkers or heavy drinkers. When plotted on a graph, the relationship between moderate consumption and total mortality appears as a J-shaped curve, demonstrating the benefits of light to moderate alcohol consumption compared with both abstinence and heavy drinking.

I would not presume to argue with the chief medical officer’s opinion that any alcohol is damaging, but I do not believe that as a matter of public policy, an abstinence approach is either wise or effective. We recognise that recommending abstinence is a counterproductive policy in tackling teenage pregnancies, yet we are asked to imagine that saying that there is no safe amount of alcohol is an effective way of tackling alcohol abuse. The previous unit limit might have been an arbitrary figure, but it was a realistic target for most people and helped reinforce the message that alcohol needs to be kept to light and moderate levels. The guidelines threaten that.

As well as significant evidence about physical health, there is growing evidence about the benefits of moderate alcohol consumption in a safe and social environment for mental health. In particular, a recent study commissioned by the Campaign for Real Ale from Oxford University found that people who regularly visit a community-type pub tend to have more close friends on whom they can call for support, and that they are happier, healthier and more trusting of others. A moderate amount of alcohol improves wellbeing and some social skills, just as it has been shown to improve other cognitive abilities and health.

Any future guidance must, of course, be cautious, but it should also recognise the protective effects of moderate alcohol consumption. I also advocate withdrawing the advice that there is no safe level of alcohol consumption so that we can concentrate on the social and medical benefits of limiting alcohol consumption to moderate levels.

6.4 pm

Alison Thewliss (Glasgow Central) (SNP): It is a pleasure to be able to speak in this debate. I congratulate the hon. Member for Gower (Byron Davies) on securing it.

This debate has highlighted the fact that statistics can be used to prove just about anything. It is important that people out there have confidence in the statistics and the guidance that they are given, and I am concerned that the Royal Statistical Society seems to have a bit of a worry about the guidance that has been put forward—particularly on the issue to do with intake for women and men. There is evidence to suggest that women’s and men’s bodies absorb alcohol slightly differently, and that really ought to be acknowledged so that each individual gets the best advice possible.

The hon. Member for Burton (Andrew Griffiths) talked about the differences between people. My brother is 6 feet 4 inches and his girlfriend is about 5 feet 2 inches, and there are obviously stark differences between them. Having said that, unless people are going to have a personalised alcohol prescription, it is quite difficult to be specific. We have to have general guidelines that give people an idea of what they can expect. People have to know their limits, as the hon. Member for Strangford (Jim Shannon) said. He also said that 60% of alcohol sales are to problem drinkers, which is an issue that we have had in Glasgow and the west of Scotland. As my hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson) said, alcohol consumption significantly blights families.

Organisations such as the Glasgow Council on Alcohol, through their community work, seek to get people talking about the impact that alcohol has on communities. As the Glasgow Centre for Population Health has found, inequality has a significant effect. In Glasgow, the most deprived communities have five times more of a problem with alcohol than the least deprived communities.

Alcohol guidelines are not just about pubs, as the hon. Member for Gower seemed to be suggesting. I very much support the real ale industry, and CAMRA does really good work and has transformed the way people look at alcohol—they go for quality rather than quantity in some cases—but the fact remains that many people, particularly in deprived communities, are not going to a nice, cosy real ale pub; they are going to the local shop on the high street and buying large volumes of alcohol, which will do them significant damage.

Andrew Griffiths: I agree with much of what the hon. Lady is saying. Does she share my concern about telling people that alcohol can cause them to misjudge risky situations, cause accidents and cause them to lose self-control, and giving them advice about drinking alcohol before going up a ladder? That is not the kind of advice about alcohol that people expect, and the risk is that the general public will have no confidence in the guidelines.

Alison Thewliss: We need to be aware of the impact of alcohol generally. The hon. Member for Henley (John Howell) spoke earlier about alcohol in the House of Commons, which is still a concern for me. I was at an event earlier celebrating tennis—a nice, healthy activity—and there was booze. I could get a drink at lunchtime. I do not think that is acceptable. The House of Commons should consider whether it is appropriate for people to have a drink with their lunch at events that take place during a working day. I am not convinced that it is.

The Scottish Government have a framework for action on alcohol. We pursued the Alcohol (Minimum Pricing) (Scotland) Act 2012, which, due to the alcohol industry, has been bogged down in a legal dispute. Importantly, it is about trying to cut down the number of people buying large volumes of alcohol. We are trying to change that behaviour and get people to think about how their drinking is affecting their health.

Evidence that organisations such as the Glasgow Centre for Population Health have looked at suggests that we need a change in attitude. There are people who are damaging their health severely every day. This is not about an auntie who drinks a wee drink before she goes...
to bed or anything like that. It is about people who are drinking more than they should and drinking in unhealthy ways, which has an impact on their health and their ability to go about their business safely.

I saw a study from the Glasgow Centre for Population Health a few years ago that suggested that, in the most deprived areas of Glasgow, people who drink quite a lot end up in hospital more than people who drink an equivalent amount in better-off areas, because their lifestyles and the things around them do not keep them safe. Someone in a well-off area might be having a bottle of wine every night, whereas someone in a poorer area having something else is far more likely to come to harm. There are serious considerations not only about public health but about how we think about alcohol in general, and about the guidelines that are put in place to get people to think about how much they are drinking and what they can do to reduce their intake, be healthy and happy and have a good role in their families and communities.

6.10 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): I congratulate the hon. Member for Gower (Byron Davies) on securing this very important debate. The most important thing to stress is that this is not a moral issue—hon. Members have talked about abstinence and so on—but it is about pubs, many of which are reinventing themselves by serving food and providing craft beer. I welcome the social haven provided by pubs. This is about the health of the nation, and it is interesting that Members have skirted around the health issues. That is why we have guidelines; it is not because the chief medical officer wants to stop people having fun. At the end of the day, any Government must have care and concern for the health of the population, and particularly of young people.

Let us spell it out: alcohol is one of the most well established causes of cancer. It increases the risk of mouth, throat, voice box, food pipe, breast, liver and bowel cancers. It astonishes me that Members who I suspect know those things are still standing in this Chamber criticising Government attempts to bear down on alcohol consumption.

This is about not just the scientifically proven contribution of alcohol consumption to ill health, but its contribution to social disorder. In 2014, the University of Bath estimated that the annual cost of binge drinking was about £4.6 billion. That includes A&E attendances, road accidents, alcohol-related arrests and the number of policemen involved. If someone goes into any A&E department almost anywhere in England or Scotland on a Saturday night, they will see disproportionate numbers of people who are there because of alcohol abuse. It astonishes me that hon. Members show no concern about the billions that is costing our health service, or about the life chances and quality of life of people who engage in binge drinking. Of course, the abuse of alcohol is also very closely related to domestic violence. If Members are not concerned about the link to cancer and ill health, or about what alcohol is costing our health service, or about social disorder or domestic violence, I wonder what it will take.

Andrew Griffiths: Can the hon. Lady tell me of just one sentence today in which any Member has said that they are not concerned about the effects on health, or about domestic violence or alcoholism? This is a ridiculous speech—I realise that she is new in her position, but I suggest that in future she does a little more research before she comes to the Chamber.

Ms Abbott: I have to advise the hon. Gentleman that I was a spokesperson on public health for three years for the Labour party. Not only did I do research on the health issues around alcohol, but I visited other countries—notably Scandinavian countries—to see what they had done. My point is that if hon. Members are willing to come here without spelling out the issues that I am describing, it must suggest to anybody listening to or reading the debate that they put them below the interests of the pub trade.

Patricia Gibson: Does the hon. Lady agree that as well as health issues, social disorder and domestic violence, there is a huge impact on the economy from lost productivity and work days caused by people phoning in sick because they had too much to drink the night before?

Ms Abbott: I thank the hon. Lady for that. We can only look at the guidelines in the context of the social harm of alcohol abuse, and the guidelines are designed to bear down on alcohol abuse. It is too early to say how effective they are, but the principle of the Government acting to bear down on the social harms and costs of alcohol abuse must be correct. Like some other Members, I have visited hospital wards that have to deal with people whose health has been ruined by binge drinking. If hon. Members had seen what I have seen—

Byron Davies: Will the hon. Lady give way?

Ms Abbott: I am afraid I have to complete my remarks. If some hon. Members really understood the social harms and costs to the nation of alcohol abuse, they could not have made the speeches they made this afternoon.

I welcome the guidelines. It will take time to decide whether they are exactly right and what their effects are, but we need a holistic strategy on alcohol abuse. When I was public health spokesperson for my party, I believed in a minimum price for alcohol. There is more that we can do on classroom-based education, but I have no doubt that the thinking behind the alcohol guidelines is correct. I also have no doubt that as Members of Parliament with a responsibility to our communities, we should do everything we can to bear down on problem drinking.

6.16 pm

The Parliamentary Under-Secretary of State for Health (Jane Ellison): I thank colleagues for bearing with our rather interrupted debate. I am fairly confident that I will not have time to discuss all the issues in my response, but as some colleagues are aware, my door is always open, and I have a proposal towards the end of my speech for how we might continue the discussion.

First, I congratulate my hon. Friend the Member for Gower (Byron Davies) on securing this debate and on opening it so authoritatively. We are all aware of the
impact of alcohol misuse, which was well summed up by the shadow Minister, who is knowledgeable about that. She reminded us of some of the pressure it puts on our vital public services. It is right that we give this issue our attention.

I know that people have asked why we need new guidelines when alcohol consumption is falling. My hon. Friend, in introducing the debate, talked about some of the areas in which we have had welcome improvements in the statistics. The majority of people drink alcohol in an entirely responsible way. In 2014, 59%—just over 25 million adults—drank within the new guidelines, so it is important to stress that quite a lot of people drink that amount or less at the moment.

As a Government who believe in informed and empowered consumers, we have a responsibility to provide clear information to help people make informed choices about their drinking. The guidelines are not about preventing those who want to enjoy a drink from doing so. Goodness knows, as a passionate remainder, I can certainly say that guidelines of all sorts have been suspended in my household for the past week or so. This is about ensuring that people get common-sense advice and practical information, and some of that will be about things like taking days off from drinking.

There is an appetite for that; we know that from the research we have done with people.

The new low-risk drinking guidelines are the means by which the four UK chief medical officers, working together, provide the public with the latest and most up-to-date information about the health risks of different levels and patterns of drinking. Let me clarify at the outset, in case I run out of time, what the guidelines are not. Nobody has said that more than 14 units is considered harmful or problem drinking. It is just not recommended as low risk. To be clear, there is no public policy on abstinence. The guidelines are not about the rate at which alcohol affects men and women in terms of intoxication, but how it affects their long-term health.

Andrew Griffiths: Will the Minister give way?

Jane Ellison: If colleagues will forgive me, I have very little time. I will not even have 10 minutes. I will give way, but it means I will not get through my speech.

Andrew Griffiths: I have a very simple question. Does the Minister think there is no such thing as safe drinking?

Jane Ellison: I will come on to deal with some of the issues, but I will also make a suggestion for how we take this discussion forward. The issue outlined was about the extent to which alcohol affects people. The second part of the consultation, to which a response has not yet been published—I will come on to talk about that—is about how we express and communicate the new guidelines. That is slightly different from the science that sits behind them. I want to try to pull those two things apart. Clearly we have a job of communication to do, because we want to be helpful to the public.

Perhaps it would be useful to remind Members how we arrived at this review. It was not Ministers who asked the chief medical officers to do it but Parliament. The previous guidelines came out in 1995, and in 2012 the Science and Technology Committee recommended that they should be reviewed because they had not been for so long. It is fair to say that there are a lot of places around the world where such guidelines have not been looked at for a long time, so the evidence base is not as up to date as it could be. There was a lot of parliamentary interest, especially in the previous Parliament, in guidelines—for example, in the harmonisation of the pregnancy guidelines when we had debates about foetal alcohol syndrome.

At the request of the four UK chief medical officers, three independent groups of experts have met since 2013 to look at both the scientific and the behavioural evidence of the health effects of alcohol. Those groups were made up of international experts in the field of epidemiology, public health, liver disease, behavioural science, science communications and evidence-based alcohol policy. None of those people were members of the temerance movement.

To ensure that the guidelines are as practical as possible, after their publication the Government held a public consultation to gather views on their clarity, expression and usefulness. I should clarify something that is important: the Royal Statistical Society supported the evidence review and the conclusions. It was very specific in its challenge about how the Department of Health presented it in the launch. That is exactly why there was then a consultation about how we express and discuss the guidelines. To be clear, though, the RSS did not question the evidence review or its conclusions.

As part of the consultation process, Public Health England has undertaken market research to test understanding and acceptance of the guidelines—just the points that colleagues have asked about. Overall, the results were positive, showing that the language was understood and accepted and the tone appropriately informational. That is the tone we are trying to achieve: informational, not hectoring or nannying. The expert group has now reviewed the consultation responses and market research and has put its final recommendations to the four CMOs for their consideration. We intend to publish the final guidelines and the Government response to the consultation as soon as possible.

We of course recognise that industry has a key role in communicating the new information to consumers, particularly through labelling. I thank my hon. Friend the Member for Burton (Andrew Griffiths) for his remarks. As he knows, as a Back Bencher in the previous Parliament I was an active member of the all-party groups on pubs and beer. I had the honour of being the guest judge of the pale ale category at the Battersea beer festival on more than one occasion. To declare an interest, I am a member of the Campaign for Real Ale. I could not agree more that a well-run pub or bar can be a great way to help people to drink responsibly while maintaining social contact.

Nevertheless, the industry needs to enable those who want to moderate what they drink to do so. It has done some really good work on that. The work with the industry in the previous Parliament on alcohol units was very useful. I always have a further challenge for the industry. One thing we can do to reduce the number of units people consume and to develop that wider choice is to put more emphasis on lower-alcohol products. When I have spoken to them, I have always been very honest with industry spokesmen that greater promotion of lower-alcohol drinks can help people to get into healthier habits. Simple switches can help. I want to put
on the record that just by swapping from a pint of beer or lager at 6% strength to a pint at 4% strength, people could cut their units by a third—that is, they could take out 1.1 units. They could still enjoy their pint but cut their alcohol intake by a third.

The chief medical officer had a successful meeting with the Portman Group yesterday, confirming willingness on both sides to continue to work constructively together and to deliver benefits to the public and good information to our constituents. There are reasons for optimism in some of the alcohol statistics, but the shadow Minister is right that there are some significant and often highly concentrated problems. We need to give people the best and most up-to-date advice. We recognise that it is not for the Government to tell adults what to do in their private lives, but we do have a role in enabling the public to make informed decisions about their health based on up-to-date guidelines and the best science.

I am grateful to the chief medical officer, who has confirmed that she is happy to hold a parliamentary drop-in briefing for colleagues to discuss the matter further. It simply is not possible to pick up many of the detailed points that have been made on the various international studies in the time available. For the record, the review scrutinised all the available high-quality evidence and covered the findings of 63 systematic reviews from the evidence worldwide. It was a major undertaking. I think it would be useful for colleagues to be able to come along and discuss some of the studies that have been cited. Some of them are in different countries and some, it must be said, are based on different situations in terms of the nature of the national health service and the health support in those countries. I do not have time to go into that factor, but it is relevant for some of the comparative remarks that were made.

I hope I have reassured colleagues that we want to move forward in a sensible way. We want to give people the best information and we want to communicate it with clarity. Change will not happen overnight, but we want to raise awareness of the health risks, particularly around some of the links, such as between breast cancer and alcohol. We have a vastly better understanding of that than we did in 1995, and that has come through in recent years. It is important that we reflect that and continue to communicate it. I hope we can move forward constructively from here. I will set up the meeting that I offered. I sense from the Chamber that there is an interest in having further constructive dialogue. I leave a couple of minutes to my hon. Friend the Member for Gower to close the debate.

6.26 pm

Byron Davies: This has been an interesting debate. I am most grateful to everyone who has taken part. I particularly thank the Minister for her remarks at the end. I just want to mention one thing, which relates to a point that the shadow Minister made. I spent 32 years as a senior Metropolitan police officer, and choosing to blame alcohol for just about everything is quite ridiculous. The issue is about personal responsibility, and the debate is about encouraging moderate and responsible drinking. That is what we are here to discuss. The points have been well made, and I am grateful to everybody, but particularly grateful to the Minister for responding and to you, Sir Alan, for your chairmanship.

6.27 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).
Westminster Hall  
Wednesday 29 June 2016  

[SIR ROGER GALE in the Chair]  

Dog Fighting  

9.30 am  

Sir Roger Gale (in the Chair): Good morning, ladies and gentlemen. I apoligise for the fact that the screen behind me is not working. We will have to manage with the two that are working, so do not rely on the other one. I am also sorry that, apparently, we cannot raise the blinds. It is one of those mornings.

Looking around the Chamber, although relatively few people have submitted an application to speak, it is clear that there is a lot of interest in all parts of the House. I will therefore give an indication now, which is unusual, but I think people need time to adjust, that I will impose a five-minute time limit on speeches.

9.31 am  

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): I beg to move,  

That this House has considered dog fighting.

It is a pleasure to serve under your chairmanship, Sir Roger, and it is a privilege to bring this debate to the Chamber to highlight the extreme plight of those dogs around the UK that are subject to the cruel and callous animal abuse of dog fighting. They have no voice of their own, and we must give them a voice; I am heartened that so many hon. Members are present to contribute to the debate and to do just that—to give them their voice. I am proud that so many of my constituents and those of other Members have been in contact to emphasise the importance of the debate and the impact on animal welfare and our legislative process.

Sir Greg Knight (East Yorkshire) (Con): I am delighted that the hon. Lady chose this topic for debate. I am aware that she has widespread support throughout the House and that some of us have tabled early-day motion 64, which calls for a national dog-fighting strategy to stamp out this awful crime?

Dr Cameron: I thank the right hon. Lady for her intervention. That is something of which Northern Ireland should be extremely proud. I hope to see similar progress in the rest of the UK.

I pay tribute to the many organisations involved in the field, including the League Against Cruel Sports, the Royal Society for the Prevention of Cruelty to Animals, the Scottish Society for Prevention of Cruelty to Animals, People for the Ethical Treatment of Animals, the Dogs Trust, Middlesex University, the Battersea Dogs and Cats Home, and Marc the vet, to name but a few. Without their vital work, we would have little awareness of the existence of the hidden, heinous crime of dog fighting. They also work tirelessly for the protection of dogs to be abused in this way.

I do, and I echo the hon. Gentleman’s sentiments. Dogs are man’s best friend, not property. I will be calling for tougher sentencing throughout the UK.

Mrs Caroline Spelman (Meriden) (Con): I congratulate the hon. Lady on securing the debate. No doubt she will comment on the fact that within the UK there is variability in the sentencing regimes. In fact, Northern Ireland has increased the sentence capacity to between two and five years, compared with six months in our own nation.

Dr Cameron: I thank the right hon. Lady for her intervention. That is something of which Northern Ireland should be extremely proud. I hope to see similar progress in the rest of the UK.

I pay tribute to the many organisations involved in the field, including the League Against Cruel Sports, the Royal Society for the Prevention of Cruelty to Animals, the Scottish Society for Prevention of Cruelty to Animals, People for the Ethical Treatment of Animals, the Dogs Trust, Middlesex University, the Battersea Dogs and Cats Home, and Marc the vet, to name but a few. Without their vital work, we would have little awareness of the existence of the hidden, heinous crime of dog fighting. They also work tirelessly for the protection and rehabilitation of dogs. I thank them for their work and for the recent reports bringing dog fighting to the mind of the public, including, crucially, our first national report on the state of dog fighting in the UK, from Project Bloodline, which was launched last year by the League Against Cruel Sports.

I also thank two of my constituents, Lisa Glasham and Paul Meecham, who are present today. They know the importance of the issue and of the debate. Lisa is never seen without her dog, although I understand she could not bring him in today.

Peter Egan, a vice-president of the League Against Cruel Sports, said:  

“Dog fighting is a crime committed against our best friends, by humanity’s worst enemies, the criminals making money from indescribable cruelty. Where are we as a society if we allow our dogs to be abused in this way?”
Christina Rees (Neath) (Lab): I have had hundreds of emails from concerned constituents, and I am sure the hon. Lady has support in Wales. It is the absolute brutality that gets to me: cats are used as bait; dogs are trained to be absolute fighters; and it is so graphic. I have a little Staffie who is absolutely gorgeous, and timid and everything. The thought of him having his teeth ground down to become an object for brutality breaks my heart. The hon. Lady has my wholehearted support.

Dr Cameron: I thank the hon. Lady. Putting together my speech for the debate has been a traumatic process, and I am sure that constituency emails and her own experience have heralded the same feelings of disbelief and complete concern for the animals that are abused in such a manner.

Bill Oddie has said: “Dogs are perhaps the most beloved and valued animal on earth. Humans look after them, and they look after humans. They represent companionship, affection and loyalty. I can think of few evils so perverted—and cruel—as dog fighting. This is humanity at its worst.”

Kirsten Oswald (East Renfrewshire) (SNP): Yesterday, I had the privilege to meet a United States military veteran with his assistance dog. Does my hon. Friend agree that it defies belief that, when dogs can be so positive and do so much good, people treat them in this cruel way?

Dr Cameron: I very much agree with my hon. Friend’s comments. We have to remember that we have hearing dogs, dogs that work for the blind, dogs that help us in the police force and the fire brigade and dogs that help us in all aspects of our lives. That is why it is quite so unbelievable that some people treat dogs in such a way.

Bob Stewart (Beckenham) (Con): May I point out that we have dogs that have saved the lives of our soldiers on many occasions, such as in Northern Ireland, Iraq or Afghanistan, and will continue to do so? God bless them.

Dr Cameron: I thank the hon. Gentleman for his intervention. Yes, it is extremely important that we recognise the value of dogs in every aspect of our society and in our armed forces.

Ruth Smeeth (Stoke-on-Trent North) (Lab): This week marks the 100th anniversary of the battle of the Somme, so given the role of military dogs then and now, today it is apt and appropriate to do everything we can to defend them.

Dr Cameron: I thank the hon. Lady for her intervention and for paying tribute to those dogs who have worked for this country in such an admirable way.

What are the facts as we know them? Research, including that from the influential Project Bloodline, indicates that a dog fight occurs somewhere in the UK every day. Dogs involved in fighting are pitted against each other, with the aim of inflicting as much pain and damage as possible. For dogs that fall into the hands of dog fighters, life is full of pain, suffering and violence. Dogs are left with horrific injuries, and rather than taking them to a vet and risk being caught, dog fighters perform crude surgeries without anaesthetic, adding to suffering. Most dogs used for fighting ultimately are killed in the fight, dying as a result of their injuries or just killed and discarded.

Kerry McCarthy (Bristol East) (Lab): The hon. Lady is being generous with her time. She mentioned Project Bloodline, which is an excellent initiative by the League Against Cruel Sports. I see signs in my constituency on trees, where dogs have been hung from trees to strengthen their jaws, but dog fighting is done very much under cover and it is difficult to track down. Will she join me in congratulating the league’s initiative under Project Bloodline to offer a £1,000 reward to people in Luton under a pilot where people can come forward with any information they have about illegal dog fighting in their area?

Dr Cameron: That sounds like an excellent pilot, and I would like to see it expanded throughout the country if it is successful.

During training, dogs are usually kept penned or chained. They are raised in isolation, yet we know they are man’s best friend. They are starved and taunted to trigger extreme survival instincts and to encourage aggression. They may be forced to tread water in pools, to run on a treadmill, while another terrified animal is dangled in front of them as bait, or to hang, as described, from their jaws, while dangling from a chain or tree baited with meat. They are slammed against walls to toughen them up. Many may be injected with steroids. Some dog fighters sharpen their dogs’ teeth, cut off their ears to prevent latching during fights or even add roach poison to their food, so that their fur tastes bad to other dogs.

Caroline Nokes (Romsey and Southampton North) (Con): I congratulate the hon. Lady on securing this important debate. What she has just outlined shows a massive scale of premeditation, planning, thought and—I hesitate to use this word—investment. Does she not agree that the people who put in that effort to cause such suffering to animals must have sentences that properly reflect the activities they have engaged in, not just in fighting dogs but in the planning for that?

Dr Cameron: I wholeheartedly agree. We know from research on psychology that individuals who engage in animal cruelty show traits of psychopathy and are then very much more likely to engage in cruelty against humans.

Dog fighting results in torn flesh, blood loss, disembowelment and death. Many dogs are found dead, dumped in the countryside. Dogs that win are forced to fight again. They are sold on to breed puppies for profit. Female dogs are strapped down on rape stands, while males impregnate them. There is new evidence of casual dog fighting, with offenders fighting their dogs in public places and then capturing that on mobile telephones.

Many of the dogs that do not fight, or lose fights, are used, as described, as bait animals. Undercover reporters from animal welfare charities have met dog breeders who offer pit bull puppies and dogs of the bully kutta breed for protection and fighting. The story of Cupcake, brought to our awareness by the League Against Cruel Sports, highlights the issue of bait animals. Cupcake’s life was basically torture: her teeth were ground down
to prevent her from protecting herself and she was used as bait for other dogs. Kay, who is now looking after Cupcake, has said:

"Man up—if you have a lust for fighting go out and fight yourself... To victimise and torture a vulnerable creature...to create a status or an image...is...despicable."

Battersea Dogs and Cats Home regularly takes in dogs bearing the physical or mental scars of dog fighting: traumatised animals with tell-tale bite marks and filed down teeth. Many have had their jaws wired shut. They are cast out, although, as we have described, many are never found or they are killed and discared. We need to establish a simple message: people involved in dog fighting are cruel and callous, and they must be convicted. We ask ourselves: why does dog fighting happen? Who on earth would want to engage in this violent pursuit for pleasure or profit?

The RSPCA has identified a typology of dog fighting that helps to categorise those involved. There is traditional organised dog fighting, which involves working-class males and is an underground activity, where a large amount of money is gambled on dogs. Pit bull terriers are almost exclusively used for that type of fight. Individuals involved do not just happen upon it—they may well be involved in other forms of organised crime. They have a life of violence and torturing, and killing animals is an adjunct to criminal lives.

There is a cultural typology whereby individuals from differing cultures that do not prohibit dog fighting bring those activities to the UK despite their being banned. Those individuals require education. Chain street is described as a new trend for dog fighting, which is seen in inner cities, where young men in gangs or on the fringes fight dogs to settle scores or to try to assert their standing in their communities.

The League Against Cruel Sports identifies different levels of dog fighting. Level 1 is impromptu street fights, part of street culture. Level 2 is hobbyist—I cannot imagine dog fighting as a hobby—operating on a localised fighting circuit. Level 3 is professional sophisticated dog rings, with trained dogs from particular bloodlines, taking place in a pit, with high-stakes gambling, which is highly secretive and invitation-only.

Research by Middlesex University in November 2015 indicated that dog fighting has historically thrived on its ability to convince our society that it does not exist. There is a severe lack of information and data on dog fighting. Further research is therefore required. There are varied measures of recording such offences, which limits data analysis. The largest element of known and recorded dog-fighting activity relates to the possession or custody of fighting dogs, but data do not distinguish between possession and involvement in dog fighting.

There is also inconsistency in procedures between agencies when it comes to tackling the issue. Dog fighting may not even be identified if it is easier to address the issue under animal welfare legislation, so there is under-reporting and under-recording. There is a lack of recording between dog fighting and other offences. Such recording is very much needed now that we know it is recognised as a gateway crime.

Inadequacy in reporting, recording and prosecution is important, because it impacts negatively on the resources provided for dog-fighting enforcement. It also impacts negatively in appropriate convictions and the severity of sentences.

Kevin Foster (Torbay) (Con): The hon. Lady is making an excellent speech, and I congratulate her on securing the debate. The point she makes about dog fighting being a gateway crime is vital. Is it not the case that in the United States dog fighting is recognised as a grade A felony, and the FBI prioritises tackling it because of the impact that it has on detecting and preventing other offences?

Dr Cameron: I cannot emphasise that point enough: it is a gateway crime carried out by organised people who are involved in crime. They are callous towards animals, which research indicates leads them to a propensity to be callous towards humans. That must be tackled as a serious issue.

Mims Davies (Eastleigh) (Con): I think we are all astounded that we hear these points being made in 2016. This underground behaviour is being allowed and sustained through a combination of organised work and dog breeding, and people are making money off pets that should be looked after. That is abhorrent behaviour.

I pay tribute to Blue Cross, which rehomes animals in West End in my constituency, and I thank the hon. Lady for bringing this issue to the table. I have constituents who have been able to give dogs from the area a better life. We must not let dogs have the awful life that those dogs used to have.

Dr Cameron: I, too, pay tribute to Blue Cross. It is extremely important that we rehabilitate as many such dogs as possible, although, given their traumatic early lives, that is often not possible and they meet a sad end.

Dog fighting has been an offence since the 1800s. The current provision can be found in the Animal Welfare Act 2006 and the Animal Health and Welfare (Scotland) Act 2006. There are penalties of up to 51 weeks’ imprisonment and a fine in England and Wales, and up to 12 months’ imprisonment and a fine of up to £20,000 in Scotland. The Control of Dogs (Scotland) Act 2010 was designed to highlight the responsibilities of dog owners by putting in place a regime to identify out-of-control dogs at an early juncture, and by providing measures to change the behaviour of dogs—and their owners—before they become dangerous. We need specific legislation on the issue, because we must focus on everything we can do across the UK and consider whether we are doing enough.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Lady on securing the debate. She outlined the different penalties. Does she agree that it would send out a strong signal, at a time when there are political divisions across the United Kingdom, if we could show the wider community that there is unity of purpose by increasing penalties in every nation of the United Kingdom for such heinous and unacceptable criminal activity?

Dr Cameron: I thank the hon. Gentleman. And I would like collaboration and agreement across the UK on the issue. I also want to highlight the fact that the Northern Ireland Assembly has recently increased maximum prison sentences from two to five years, and
maximum fines from £5,000 to £20,000. That means that it will have the most stringent legislation in the UK on animal cruelty offences.

Patrick Grady (Glasgow North) (SNP): My hon. Friend is being extremely generous with her time; I apologise that I cannot stay to the very end of the debate. The League Against Cruel Sports has called for consistency in sentencing across Europe as well as in the UK. Does my hon. Friend agree that irrespective of the referendum result, dog fighting is an issue on which Governments should co-operate to ensure consistency across borders?

Dr Cameron: Yes, I agree with my hon. Friend. Also, given that dog fighting is a gateway to serious organised crime, collaboration across the EU is required.

David Simpson (Upper Bann) (DUP): Further to that point, my Assembly colleagues in Northern Ireland are trying to secure the implementation of a register of those who are found guilty of this heinous crime. They should be forced to sign it—not that that would be a massive deterrent, but it would add to what has already been agreed.

Dr Cameron: I thank the hon. Gentleman; that is one thing that I am calling for. I congratulate the Northern Ireland Assembly on taking the matter forward.

Analysis of court reports by Middlesex University suggests that there were fewer than 40 convictions for dog fighting between 2008 and 2014. Given that we know that a dog fight happens every day, there is clearly something not quite right about our ability to detect and prosecute. Mike Flynn, of the SSPCA, has told me that the last conviction in Scotland was three years ago. Once again we need to ensure that we can tackle the issue appropriately and take things forward consensually with best-practice evidence from the many organisations that contribute.

Project Bloodline asserts that it must be accepted that dog fighting remains a major criminal issue in the UK, both in itself and as a gateway crime. Vital work undertaken in the area must be resourced and collaborative. It is recommended that a taskforce be set up to ensure that there will be action to tackle dog fighting through a national dog-fighting plan. That plan would be pinned on three key areas: prevention, understanding and prosecution.

Community working groups can assist with the education of people and communities that are vulnerable to dog fighting. The public require increased awareness and education about the signs to look for, to aid in prevention and detection. There is a need for increased awareness about reporting through, for example, the League Against Cruel Sports’ animal crimewatch line, which should be further publicised.

Details of individuals who have been banned from keeping dogs should be held by statutory agencies on a national register. Those people should not be allowed to keep animals, and their activities should be monitored. Local environmental auditing of hotspots should be undertaken by a multi-agency taskforce, to identify and remove environmental factors that enable people to engage in dog fighting. We must ensure that, where possible, dogs used for fighting, whose lives have been utterly miserable and full of pain and suffering, and bait animals such as Cupcake, survive and are rehabilitated. Dog licensing should be considered. Reports on dog fighting as a gateway crime indicate that it must be treated seriously and that there should be intelligence crossover between agencies and across countries.

The League Against Cruel Sports and the RSPCA have called for changes to how dog fighting is tackled, including increases in penalties, which we have discussed. The RSPCA welcomed a statement made in 2015 by the Department for Environment, Food and Rural Affairs that the Government recognise the seriousness of fighting offences and are looking at legislative opportunities to increase maximum penalties. We need a review of the Dangerous Dogs Act 1991, and I request an inquiry by the Government. I will also write to the Scottish Government on that matter.

The League Against Cruel Sports recommends that dog fighting should be recorded as a specific offence. We need to improve data quality and assess the scale of the problem and the resources that we require. It does not consider that the existing offence of animal fighting should be changed entirely, but it does believe that some modification should be considered. The penalties should be brought in line with those in other EU countries, to achieve consistency—if there is now something on which we can achieve consistency across the EU. Penalties are two years in France and three years in Germany and the Czech Republic. The recommendation is two years, which would be consistent with Law Commission reports on other animal offences.

Politicians need to continue to raise awareness of dog fighting, assert our view that it is unacceptable in the UK, and promote the steps that are required to address such a heinous crime.

Sir Alan Meale (Mansfield) (Lab): I congratulate the hon. Lady on bringing forward this important matter for debate. There are Members present who have spoken in the House on the matter many times, and some who have introduced Bills.

We all advocate increasing sentences, but another aspect of the matter is education, not only of those who engage in the practice in question, but of people who serve in courts administering and levying fines or dealing with imprisonment. The question is what levels of sentencing will stop people. We all know from research—our own or that of the League Against Cruel Sports, the RSPCA or other bodies—that such practices happen predominately in certain areas throughout Britain. They go on time and again, and we all know where they are. The police try hard but are under-resourced, as are the animal welfare organisations in those areas. We need to get the Government to understand that more investment is needed in the police, local authorities and animal welfare organisations in those areas to eradicate something so pernicious.

Dr Cameron: I thank the hon. Gentleman, and I agree that we do not need a one-pronged approach. We need to address the issues that have been raised, and we should recognise that if those involved are also involved in organised crime and are making large amounts of
money from dog fighting, a small fine and a slap on the wrist will not be a deterrent. We need a deterrent in this case.

Dog fighting awareness day is on 8 April, which also happens to be my birthday. I had not been aware of that coincidence before I researched the debate. The day was established by the American Society for the Prevention of Cruelty to Animals. As I mentioned, it has been traumatic for me, as an animal lover, to research and speak about the issue. I am sure that dog lovers and ordinary people across the country who have listened to the debate will have been sickened. Dog fighting is a cruel, barbaric, abhorrent and violent crime with no place in the UK. It is one of the most extreme forms of animal cruelty. I am pleased and heartened by the number of Members who have come to the debate, and I urge that we work together to eradicate dog fighting once and for all.

Sir Greg Knight: On a point of order, Sir Roger. You are in the Chair and are therefore properly impartial, but is it not appropriate that we place on record the work you have done and continue to do on animal welfare matters? We know that if you were not up there, you would be down here.

Sir Roger Gale (in the Chair): My right hon. Friend is most generous: I could not possibly comment. The hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) has been very generous in giving way. I hope that hon. Members will not seek to rise to make speeches unless they have indicated already to the Chair that they will do so, because I am afraid there is no opportunity for me to facilitate that. Because of the time available, I will now have to reduce the speaking time to four minutes. If hon. Members can limit themselves to less than that, we might get everybody in, but it is a big might. I always do my best, but I cannot guarantee it.

Robert Flello (Stoke-on-Trent South) (Lab): I thank the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) for securing this debate. Does the hon. Member for Taunton Deane (Rebecca Pow) agree that all these things—third-party puppy sales, puppy farming and illegal imports—are interlinked, and that something properly has to be done by Government? We need not warm words, but actions.

Rebecca Pow: I thank the hon. Gentleman for his intervention. He makes a very good point—all these things link up, and I will refer to a few of those issues in a minute.

It is horrific that something like dog fighting still exists in our society. It is almost impossible to believe that that is true. I will make a few brief points that I hope might be constructive. One is about sentencing. Magistrates in this country can give a penalty of up to about six months for someone caught dog fighting, but they rarely even do that. There are so few cases where someone is actually caught and penalised, whereas in Europe the sentences are about two to three years. I reiterate the call to review the sentencing guidelines; that is crucial. Much more stringent fines would also perhaps be a disincentive.

I agree that people have an all-encompassing view of these dogs. They are regarded as status dogs and weapon dogs. I have seen such dogs when I have been out canvassing and been quite nervous about some of them. Some get wrongly labelled, but others are used as symbols. Somehow, we have to try to change the public perception that these dogs are a good, macho thing to have. That is all about education. We need to go into our schools and educate our children, teach people about respect for animals and how to care for them and love them—and not to have animals unless they can do those things. I personally do not have a dog—my children have never forgiven me for it—even though I love dogs, because I feel I would not be there enough to look after it, and that it would have psychological problems as a result.

Christina Rees: Education is really important, and we must educate people at a very young age to be responsible dog owners. I commend the Llys Nini centre in my constituency and the work that the Dogs Trust has done by going into young offenders units and prisons to teach offenders to be responsible and to develop better personalities, so that they can be caring individuals.

Rebecca Pow: I thank the hon. Lady for her intervention. That is a really good point. Evidence shows that those who abuse dogs often go on to abuse humans, including children and the elderly. There is a direct link, so we have to try, as a society, to stop such things happening.

Finally, I want to talk about breeding and call for a reduction in the threshold required for dog licences from five litters to two. These animals are truly being used as breeding machines. Often, the breeding starts far too young, so that the dogs are worn out and on the scrap heap very quickly. I saw some of those dogs at Battersea, and they are in a desperate and terrible state. Battersea dogs home has not only nurture these dogs physically but also get over the awful psychological problems that those poor creatures have from the way they have been abused. That needs to be looked at.
[Rebecca Pow]

I think everyone agrees that this is a disgusting and appalling habit that we have allowed to carry on in our society. We have to crack down on it. I know much can be done. Lots of ideas have been mentioned today, and I press that we continue to look at them. I hope the Minister is listening and will give us some answers. I also hope that some of the points raised will be referred to in the current Government’s response to the animal licensing consultation that is under way at the moment, which we are waiting to hear back from. I support the hon. Member for East Kilbride, Strathaven and Lesmahagow on this issue, and would like to be one of the people speaking up for our lovely dogs.

Sir Roger Gale (in the Chair): I will now give some slightly conflicting advice. Members will be aware that every intervention adds a minute to the speaking time of the person who has the floor, and they must bear that in mind. The last two people on the speakers list are Patricia Gibson and Margaret Ferrier. We will do our best to accommodate you, but you might feel it more appropriate to intervene. I will try to accommodate everyone and ensure everybody has a say. We are down to three minutes, I am afraid.

10.7 am

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) on her important and forthright contribution. Northern Ireland was unfortunately, until very recently, found wanting when it came to animal cruelty. Cases in Northern Ireland have been extreme, with 4,000 animal welfare cases investigated every year and 114 convictions for animal cruelty between 2012 and 2014, only 15 of which resulted in custodial sentences.

The Northern Ireland Executive brought in bans against the breeding of certain dogs, yet the practice continued. The problem lies in the fact that no dog is born bad or born dangerous. Some dogs may have more attributes that make them susceptible to having dangerous tendencies, but it is ultimately who owns the dog and how the dog is treated that decides the dog’s outcome. The fact that a simple blanket ban on certain dogs did not work shows that we need a combination of legislation and information, and Northern Ireland has led the way on that. The public need to be informed of the problem so that they can assist to eradicate it, and awareness and education is needed so that this behaviour is regarded as totally unacceptable.

A raft of legislation has been brought in by the Northern Ireland Assembly, first to ensure that people cannot do this. There have also been prominent awareness campaigns highlighting the issue and making the public aware that they should not tolerate it, let alone take part in it. Just this month, the Director of Public Prosecutions was given stronger powers to fight animal cruelty by the Northern Ireland Justice Minister. The Justice Act (Northern Ireland) 2016, which will come into force this summer, will introduce fines of up to £20,000 and maximum prison terms of between two and five years.

However, the action does not stop there. My hon. Friend the Member for Upper Bann (David Simpson) referred to an official register of people convicted of animal cruelty offences. Northern Ireland is going to the next stage to protect animals from being victims of those people’s sick behaviour. It all started a few years ago with a case in east Belfast, as Northern Ireland MPs will be well aware. The people involved in the case were ignorant of animal welfare and of the law; they filmed the abuse, posted it on social media and gloated about it afterwards, and then got off with a suspended prison sentence. I and many other MPs wrote at that time asking for that to be changed to a custodial sentence. Unfortunately, that was not possible under the legislation.

Let us make it clear: we need registers and to ensure that those who look after animal sanctuaries are able to know who have done things wrong. The prospect of a register should be looked at, as it could start to address the problem at its root cause. The current strategy is not having all the desired effects, but Northern Ireland is leading the way, as it often does, and doing something different to protect dogs from being hurt or killed.

Championing policy against animal cruelty, whether it be dog fighting or similar sickening behaviour, is what we all need to do. We need to be sure that we always consider the voiceless—man’s best friend—and give them the voice that they need and deserve.

10.10 am

Mrs Caroline Spelman (Meriden) (Con): I am grateful to be able to speak in this debate, Sir Roger, and I know how important this debate is to you personally. I recently toured Birmingham dogs home—a newly created facility in my constituency—which had 90 dogs brought in on the day I went round. I was in pursuit of finding a new companion, having taken advice from the police, following the tragic events that befell one of our colleagues, that a dog might actually keep me safer, but I was appalled to see just how many of those animals are victims of this terrible crime of dog fighting and being used, essentially, as weapons. It is clear to me, as a former Secretary of State, that the measures that have been on the statute book for 175 years are not addressing the cultural change that we need to achieve in our society.

Successive Governments have done a number of things; the Animal Welfare Act 2006 was reformed in 2008, and when I was Secretary of State we reviewed it again in 2010. However, an undertaking was given in autumn last year that the Government would try to find a legislative opportunity to toughen the sentences for these kinds of offences, and we would very much like to hear from the Minister that such an opportunity will present in this parliamentary year, however eventful it may ultimately turn out to be.

I am also very conscious of another aspect of this and I commend it to colleagues: as part of the cultural change, there was a significant programme of re-educating offenders. As Secretary of State, I somehow found new money to give to police constabularies and to Battersea dogs home to try and change the minds of people who perpetrate this hideous crime. I say to colleagues that one visit to the RSPCA hospital in Harmsworth to see the appalling injuries that those fighting dogs suffer—those that survive the fights—would be education enough to turn any human being off the idea that man’s best friend should be used as a weapon in a fight.

10.13 am

John Pugh (Southport) (LD): Sir Roger, may I shock assembled company, and possibly some of my constituents, by saying that I am not generally a dog lover? In fact, I
It should hardly need to be said that dog fighting has no place in any civilised society. The fear and pain that fighting dogs suffer on a daily basis are difficult to contemplate. It constitutes an appalling breach of the trust that dogs have in their masters and the responsibility that we all have as human beings. That criminal violence, which is what dog fighting is, goes on to hurt communities, promoting lawlessness and frightening people on their own streets, particularly in impoverished areas. Given the callous mentality it requires, it is no surprise that where we see dog fighting, we often see links to other kinds of criminality and abusive behaviour. That is something that all Members of this House—and indeed, the vast majority of the public—can agree on, but the League Against Cruel Sports estimates that dog fighting takes place in Britain and Northern Ireland at least once every day. That is completely unacceptable.

I pay tribute to the League Against Cruel Sports for the academic work it has done to establish clear evidence of the extent of dog fighting. Given the difficulty in extrapolating specific dog-fighting statistics from the general animal fighting statistics, without the League’s work this debate may not have been possible.

Tom Elliott (Fermanagh and South Tyrone) (UUP): Will the hon. Lady give way?

Ms Ritchie: I will not, as I am anxious about the time because other Members want to speak, but I understand that the hon. Gentleman’s basic concerns will not be unlike mine and those of other Members from Northern Ireland. Even though we have certain, more restrictive legislation, it is only as effective as the enforcement that takes place.

It is important that the elements of the Wooler report are implemented quickly and effectively, and I look forward to the Select Committee report on animal welfare, which will concentrate on dogs, cats and horses.

10.18 am

Robert Flello (Stoke-on-Trent South) (Lab): When I came to the debate this morning I had not intended to make a speech, Sir Roger—only to make some interventions—but I feel so passionately about this issue that I had to try and catch your eye.

I congratulate the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) on securing this debate. I had a debate on the Floor of the House some months back about a not-unrelated issue, because while we say we are nation of dog lovers, where is the evidence? Illegal importation is not properly stopped at the border because the border agencies, understandably, have other pressures on them. There is the issue of third-party selling. To my mind, we do not need a licensing scheme because there should be no third-party selling. Breeders should sell dogs. If they want to buy and sell things as a commodity, they should be a commodity trader in coffee or whatever. They should not buy and sell dogs.

Puppy farming is wrong, whether it is obscene, massive, industrial-scale puppy farming or just somebody breeding in the back of their house because all they are interested in is making a few quid. On an international scale, an appalling atrocity—the Chinese so-called dogmeat festival—is happening in Yulin. All those things are
interrelated and lead to a culture that thinks dog fighting is acceptable, that turns a blind eye or that does not have the resources to put into tackling it. We simply have to stand up and say, “No more.”

Dog fighting is linked to other things such as child abuse and domestic violence. If somebody thinks it is acceptable for one animal to tear another apart, they will think other things are acceptable as well. We say we are a nation of dog lovers. Let us start to see some evidence of that. There are other examples, such as greyhound racing, and what happens to the greyhounds afterwards. I could go on and on but, unfortunately, the 55 seconds I have remaining do not allow me to elucidate.

I know what a decent man the Minister is from before he became a Minister but, quite frankly, the Department for Environment, Food and Rural Affairs has to step up. Warm words and platitudes are no good. We need action on importation, third-party selling, puppy farms, and all the related issues. We need firm action—not words—and we need it now. We have debated these things too many times. I do not want to be standing in this Chamber again in a year, two years or three years having the same debates. Let us have some action.

10.21 am

Patricia Gibson (North Ayrshire and Arran) (SNP): I am pleased to speak in this important debate. I thank my hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) for securing the debate, which has attracted so much interest across the Chamber.

Animal rights in Scotland are devolved to the Scottish Government, who keep a watchful eye on such matters because the public are concerned about the issues. We should all be concerned about the recent findings that one dog fight takes place every day somewhere in the UK. Dog fighting is a much bigger issue than an animal welfare issue, as important as animal welfare is. The cruelty suffered by dogs in dog fighting is sickening, and we have heard some examples today. Dogs are often treated by so-called street surgeons with only superglue and staples. It beggars belief.

Much more can be done across the UK and all of Europe to promote animal welfare and to protect dogs and, indeed, the public from such exploitative owners. Perhaps one way forward would be to have a comprehensive register of those found engaging in the horrific practice, so that they are banned from ever having dogs again. That register could be shared across the UK and Europe. I urgently suggest that legislation is reviewed, revised and closely monitored. We must be unequivocal in our condemnation of dog fighting, which is a specific crime that carries punitive custodial sentences for offenders. The message must go out, loudly and clearly, that dog fighting cannot go unchecked in any society that considers itself to be civilised.

The vast majority of people in the UK have a great affection for dogs and we must help our citizens by educating them to identify the symptoms and signs of dog fighting to help us tackle the awful practice. The more we that and the public understand about it, the better placed we are to tackle and eradicate it. Dogs cannot speak for themselves, so it is our job to speak up for them. Our compassion and civilised values mean that we must take dog fighting seriously, and it is heartening to see the support from our constituents and across the Chamber.

10.24 am

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): It is an honour to serve under your chairmanship, Sir Roger. I congratulate my hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) on securing the debate.

For the second time in a little over three weeks, I find myself in this room yet again providing a voice for the voiceless. Many of my constituents and staff have a keen interest in the treatment of man’s best friend. Unfortunately, the subject of the debate is troubling. As I am sure all hon. Members agree, the images and testimonies that are readily accessible online can only be described as harrowing.

The debate comes in the same week that, unfortunately and absurdly, 6,000 miles away in China, the annual Yulin dogmeat festival is taking place. The event was only launched in 2010 but has, unsurprisingly, garnered worldwide condemnation. We must be thankful that the international community has wholly rejected that so-called festival. However, we cannot be complacent about animal welfare on our own shores.

The problem of dog fighting is rife in the west of Scotland, and has been for years. The League Against Cruel Sports’ “Project Bloodline” report indicates that this abhorrent practice has had a major resurgence over the past few months. The report says that we need to educate the public about the scope and signs of dog fighting. According to the document:

“Greater understanding of the problem will lead to increased intelligence and more opportunities to prevent fights happening.”

We must ensure that dog fighting is portrayed not only as a rural problem but as one that is also found in urban areas. Will the Minister tell us explicitly how he plans to further tackle the issue rurally and in urban areas? No one here will disagree that dog fighting is a barbaric and cruel practice that is on a par with torturing animals. We must ensure that all relevant legislation is correctly implemented and possibly extended.

I am sure the Minister agrees that dog fighting is brutal and is no form of entertainment. From the stories that I have read and the evidence produced by the League Against Cruel Sports, it seems that one of the main methods used to facilitate the dog-fighting business is the selling of dogs online. What will the Minister do in conjunction with the police to tackle that growing online problem? Does he agree that dogs should be rehomed using renowned dog charities? I would much rather debate positive stories about dogs, but this is the world we live in.

I end with a quote from one of the earliest proponents of the animal rights movement, Jeremy Bentham, who said that

“the question is not, Can they reason? nor, Can they talk? but, Can they suffer?”
Of course animals suffer, and when they do, we, in turn, suffer. We must continue to fight for them until their voice is heard.

10.27 am

Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP): It is a pleasure to serve under your chairmanship, Sir Roger. As you directed, I will be brief. I thank my hon. Friend, the Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) for securing the debate and other hon. Members for taking part with comprehensiveness, detail and enthusiasm. I thank all who have contributed.

Sentencing has been well covered in the debate, and most hon. Members agree with the call of Battersea Dogs and Cats Home to bring sentencing in line with the rest of Europe, which hon. Members from Northern Ireland have touched on. Dog fighting, at the most determined and organised end of the spectrum, is held nationally and internationally.

The League Against Cruel Sports is calling for an urgent review of the Dangerous Dogs Act 1991. Battersea is opposed to all forms of breed-specific legislation. Last year, more than 70% of pitbull types that ended up being cared for by Battersea for various reasons would have been rehomeable if it had not been for the Dangerous Dogs Act. Dogs are not dangerous until they are specifically trained and maltreated to be. Dogs are abused and set against bait dogs, and that disgusting maltreatment must end.

The hon. Member for Torbay (Kevin Foster), who is no longer in his place, mentioned that in the United States, dog fighting is recognised as a grade A felony by the FBI, which understands the urgency of tackling this gateway crime. As my hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow mentioned, dog baiting and fighting is a gateway crime due to its link with other serious crimes such as drug and gun dealing and domestic, child and elder abuse. I was utterly horrified to hear, only last week, that one of my constituents had heard from a life of being trained for hours on a treadmill to build up endurance for fighting. The dog had been trained so badly that it knew of no other reaction but to attack another dog on sight.

Although animal welfare is devolved to the Scottish Parliament, it is clear from the 2015 report commissioned by the League Against Cruel Sports and produced by Dr Harding and Dr Nurse, “Analysis of UK Dog Fighting,” that much more has to be done to address this growing and utterly abhorrent crime. We must consider the issues raised in that research, particularly the recommendations for addressing the crime nationally, and we must be cohesive in our approach. We may not see the crime, but the evidence is there. Along with sufficient police funding, community engagement is vital to gaining intelligence, teaching young people responsible ownership and reducing opportunities for irresponsible breeders to sell to just anyone.

Finally, I urge everyone to read the Battersea Dogs and Cats Home briefing on dog fighting, which addresses the need for sentencing and education to end back-street breeding. That is the key driver in ending this disgusting practice, I am thoroughly encouraged by the all-party support for this debate, and I trust that the Minister will do the right thing.

10.30 am

Dr Paul Monaghan (Caithness, Sutherland and Easter Ross) (SNP): I am grateful for this opportunity to consider the utterly barbaric practice of dog fighting. I congratulate my hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) on securing the debate, which has been intelligent and considered and had cross-party support. I also thank Marc Abraham, Blue Cross, the Dogs Trust, the League Against Cruel Sports, the RSPCA and the SSPCA for their briefing ahead of today’s debate.

Although dog fighting was made illegal by the Cruelty to Animals Act 1835—the humane Act—evidence suggests it is resurging across the UK. Indeed, it is now a highly codified and organised practice developed for the entertainment of spectators. It is also an extraordinarily brutal, cruel and unsympathetic practice, as my hon. Friend noted.

The welfare of animals is covered by the Animal Welfare Act 2006 in England and Wales, and by the Animal Health and Welfare (Scotland) Act 2006. Offences relating to animal fights were created by section 8 of the former and by section 23 of the latter. Despite being illegal, fights frequently take place.

Tom Elliott: There appears to be a lot of legislation, but the general consensus is that there is a problem with the enforcement of that legislation and with sentencing.

Dr Monaghan: I agree, and I will shortly make several suggestions as to how that might be addressed.

Several hundred, and possibly several thousand, organised fights take place each year, with hundreds of thousands of pounds changing hands in associated betting at some fights. Fights are organised in pits, on the streets and in parks, housing estates and fields—in fact, anywhere and everywhere. Three levels of fights are recognised. Level 1 fights are impromptu street fights, or “rolls.” Level 2 or “hobbyist” fights revolve around localised fighting circuits. Level 3 professional fights are highly organised, often internationally. Injuries sustained by dogs at fights often lead to their death through stress and shock. Fights take place to the death simply for people’s amusement. I understand from the SSPCA that the longest recorded dog fight lasted four hours and 12 minutes.

After such abuse the animals are ferocious. The injuries they inflict on other dogs are scarcely believable, and the notion that anyone would wish to participate in the breeding, training, fighting and/or sponsoring of such practices beggars belief—more so given that injured animals rarely receive veterinary attention. The crude analogy applied to such trained dogs is that of high-value pedigree racehorses, but in dog fighting, of course, the animals are expendable, and they are abused and abandoned if no longer match-fit. Grand champion fighting dogs are worth hundreds of thousands of pounds to their owners, with stud fees of £5,000 to £6,000 being common. The picture could not be clearer: dog fighting is big business and utterly horrific in every respect. We should consider dog fighting a serious organised crime.
The Scottish National party has been at the forefront of animal rights, both in this Parliament and in Scotland. Dog fighting should be seen as a gateway crime. Involvement in clandestine dog fighting leads to other crimes such as illegal gambling, the importation and exportation of animals, abuse of the pet travel scheme, animal theft and drug and gun crime. Strategies to address dog fighting should therefore follow the counter-terrorism strategy—engage and prevent.

The Dangerous Dogs Act 1991 bans the ownership of a number of dog breeds, some of which are considered fighting breeds. The Act applies to England, Wales and Scotland, but it has been amended separately in Scotland and in England and Wales. The Select Committee on Environment, Food and Rural Affairs, of which I am a member, has considered the Act’s application in the context of England and will report in the near future. Suffice it to say that the Act appears to be ineffective and must be revised, because it focuses on breed, not deed.

Prohibited breeds are difficult to identify and categorise, and dogs are cross-bred to develop strains more suitable for fighting. We know that there is significant underground market activity in the trade in fighting dogs, with puppies being sold for thousands of pounds. Breed-specific legislation is fundamentally flawed. It is a startling statistic that, of the 623 dogs seized as being of a prohibited type over a two-year period, almost a quarter were later found not to be of a prohibited type and were returned to their owners, bringing into further question the concept of what constitutes a dangerous dog. The Act must be reviewed as a matter of urgency.

Although dog fighting is illegal across the UK, specific dog-fighting laws do not exist. Offences are recorded within broader animal welfare and cruelty Acts, which make it illegal to co-ordinate and promote a fight; to keep, possess or train a dog for fighting; or to attend a dog fight as a spectator. Direct animal fighting offences are set in section 8 of the Animal Welfare Act. The law defines an animal fight as “an occasion on which a protected animal is placed with an animal, or with a human”.

However, it can be argued that street fighting is spontaneous and, as such, an animal is not placed, meaning that such fights are not covered by the legislation. Legislation has had no apparent effect on either dog fighting or the recorded occurrence of injuries from dog bites.

Three important steps can be taken to address the problem: increased sentences and penalties as a deterrent, education as a preventive measure and policy changes to encourage engagement. Currently, the maximum sentence for animal fighting in the UK is a term of up to 51 weeks’ imprisonment. In reality, however, sentences are unacceptably low. The example set by Northern Ireland should be followed.

In the US, as we heard earlier, dog fighting is considered a felony in all 50 states, as well as a federal felony. In 2016, the FBI declared that it would track animal abuse in the same way that it tracks class A felonies for accounting, reporting and tracking purposes, and that felony-level penalties for repeat offenders would be enacted. We must recognise that the evidence shows links between animal abuse and other forms of abuse, such as battery, child abuse, domestic violence, grievous bodily harm, serious violent offences, the use of firearms and so on. As such, dog fighting should also be considered a signal crime.

We call on the UK Government to review sentences under the Animal Welfare Act and introduce penalties that reflect the seriousness of such offences and the horrific abuse of animals, to ensure that punishments fit the crime. Dog fighting should be recorded as a specific offence, separate from animal fighting, to enable the scale of the problem to be more accurately assessed. Dog licensing should also be considered. There should be a presumption that court disposals use sentences at the upper end of sentencing scales—the maximum allowed by law, not the minimum.

The Control of Dogs (Scotland) Act 2010 is designed to highlight the responsibility of dog owners by introducing a regime that identifies out-of-control dogs at an early juncture. Many animal welfare charities invest considerable resources in excellent work to teach young people and others about responsible dog ownership. Programmes specifically target young people, those in prison and others who own a status dog or live in a community where status dog ownership is a problem. Such programmes are aimed at increasing awareness of the issues involved and stimulating debate and discussion on responsible dog ownership, antisocial behaviour and the law.

Third-party policing involves persuading organisations, groups or individuals—including community centres, veterinarians, schools, local government and business owners—to take some responsibility for preventing or reducing crime and encouraging people to report animal crime. In that way, crime control guardians are created. Crime control guardians can also be described as a multi-agency taskforce. That approach has proved effective in a number of communities in the US on animal cruelty in general and dog fighting specifically. We are calling for education programmes like those to be commended, encouraged and enabled.

As a matter of policy, sentencing for dog fighting should reflect the object of deterrence relative to the spectrum of offending. The detection of animal fighting offences should become a performance indicator for police forces, adding an incentive to deal with the crime. Details of individuals banned from keeping dogs and other animals should be held on a UK-wide register by statutory agencies. That would help prevent those convicted of animal cruelty offences from being able to commit further offences, as well as increasing opportunities for enforcement action. Rehabilitation programmes should be offered as part of the sentencing disposal to encourage a strategy of education.

Nevertheless, human behaviour is ultimately responsible for dog bites. Breed-specific legislation to ban the ownership of certain types of dogs merely addresses a symptom of an otherwise unaddressed underlying problem. It is likely that dog attacks are rooted in deeper and more diverse socioeconomic causes, such as deprivation and a lack of education concerning the handling of dogs. All those factors contribute to the growth of dog fighting at levels 1 and 2. Clearly, repeated presentations for medical attention indicate involvement in lower-level dog fighting and associated handling. We are calling for the disclosure to police of those seeking medical assistance for dog attack injuries, to allow investigation and tracking.
It is also clear that mandatory reporting by veterinary professionals of dog-fighting injuries could help identify welfare issues and criminal activity and reduce crime.

Ultimately, we are calling for a senior law enforcement officer to be appointed to ensure that there is sufficient collaboration and action to tackle dog fighting across the four nations of the UK and internationally—including, dare I say it, across the EU. The individual should be responsible for integrating the three strands of increased sentences and penalties as a deterrent; education as a preventive measure; and policy changes to encourage further engagement on dog fighting and organised crime.

10.42 am

Rachael Maskell (York Central) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Sir Roger. I am also pleased to respond to today’s debate, which I thank the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) for bringing forward. This is my first debate as shadow Secretary of State for Environment, Food and Rural Affairs. The many excellent speeches and interventions we have heard today highlight the awful state we are in and the cruelty to animals experienced in our country. Today must move that debate forward.

Many of us are very proactive in campaigning for animal welfare. We all have a responsibility for good stewardship and wellbeing, but with our responsibilities, we in this place must also proactively address the real issues. For many years, I have represented RSPCA inspectors, so I know the real pressures they have come under. They have legal responsibilities, and in a time when resources are tight, they need our support to be able to fulfil their inspections. As my hon. Friend the Member for Stoke-on-Trent South (Robert Flello) and others have said, those inspections identify not only issues related to animal welfare but wider domestic abuses and wider criminality.

While today’s debate will be responded to by the Minister, there are many pertinent issues for the Home Office and justice teams.

Sir Alan Meale: Will my hon. Friend give way?

Rachael Maskell: No, I am rather tight on time, so I will continue for now. Following a surge in dog fighting, we have seen the legislation change. There was the Cruelty to Animals Act 1835, and Labour introduced the Animal Welfare Act 2006, which has been referenced today. The 2006 Act sought to bring harsher penalties on violators of the law and included the option for short custodial sentences. As we have heard, evidence shows that that option is insufficient to deter people from engaging in this illegal pursuit, whether for so-called entertainment or for gambling.

The League Against Cruel Sports, which I thank for its campaigning, has looked at the wide range of environments in which dog fighting occurs. There is street fighting, which relates to street culture. There are unplanned, impromptu fights that people sometimes gamble on, although not always, and are often associated with status. There is also more informal gambling around local circuits or highly organised fights where stakes of hundreds of thousands of pounds can change hands. There is still a real issue here and overseas with the dog-fighting culture. We have to get on top of that and address it with the application of tighter rules.

A number of questions arise from the number of prosecutions. The most stark is the difference between the number of complaints received by the authorities and the number of prosecutions incurred. Less than 5% of complaints translate into convictions. In 2014, 766 complaints were received, but only 31 convictions resulted, with just three people receiving a custodial sentence. In all, the rise in the number of complaints and the leniency of the criminal justice system demonstrates that needs are not being sufficiently addressed.

Campaign groups believe that tougher penalties, including longer custodial sentences—we have heard evidence about that today—would provide stronger deterrence. What are the Government doing to look into the effectiveness of longer sentencing, and not just here in Britain? We have heard from the hon. Members for South Down (Ms Ritchie) and for Strangford (Jim Shannon) and others about the experience in Northern Ireland of extending imprisonment. France applies a sentence of up to two years, and Germany and the Czech Republic apply a sentence of up to three years. We need to know the impact of that and whether the evidence is there that we should increase sentences, as so many Members have indicated.

We need to start looking at issues such as puppy farms, as the hon. Member for Taunton Deane (Rebecca Pow) said, and breeding programmes. Tighter regulations would protect the interests and welfare of dogs. That is an issue for the domestic market, but we also need to control what is happening with dog fighting. In particular, we need to look at the breeds outlawed under the Dangerous Dogs Act 1991 that are still being bred, such as pit bull terriers. They are still in circulation and thousands of pounds is changing hands in breeding programmes. There are a number of things that we need to look at, and we have heard horrific stories of what happens in fights. We need to get on top of those abuses. We know that many of these things lead into wider issues.

My next question to the Government is on how they are supporting the inspectorate regime. From talking to RSPCA inspectors on the ground, I know that their ability is restricted by falling donations to their organisation. What steps are the Government taking to ensure that RSPCA inspectors are resourced sufficiently to carry out their statutory inspections and, likewise, that the police are resourced sufficiently in supporting those operations?

Next, I want to ask about breaking the culture. We have heard evidence about that. What steps have the Government taken to deter illegal dog breeding and fighting and what is their analysis of the effectiveness of those steps? What have the Government done to raise awareness of the whole issue of dog fighting, particularly among those most likely to participate in the activity? There may be good learning to pool from Scotland and Northern Ireland. The League Against Cruel Sports is calling for a national dog fighting action plan. Labour would support that plan, which would evolve around prevention, understanding and prosecution. What are the Government doing to address that, and are they willing to set up a national taskforce to address dog fighting? Will they keep a national register of those who have been found to be involved in dog fighting?

One issue that has not been raised today is cybercrime associated with dog fighting, whether the selling of dogs, which has been mentioned, online participation in...
dog fighting or the videoing or recording of fights. What steps are the Government taking on cyber to track participants in this activity and to break into those heavily coded sites?

As I have said, dog fighting has far wider implications. It is a crime that is linked to other forms of criminality; many speakers have alluded to that. We particularly recognise the work in the US on that agenda. Dog fighting can be linked to domestic crime, drug dealing, firearms sales, physical and emotional harm, robbery and other illegal practices. How are the Government working across agencies, especially with the police, to ensure a co-ordinated strategy to address dog fighting and its links to wider criminality?

There is also an impact on public safety, as has been mentioned. Some dogs have gone on to bite people in their communities. How comprehensively have dog fights been followed up to assess the source of potentially dangerous animals? In the past 10 years, the number of dog bites has increased by 76%. The source of those surely needs closer analysis.

Finally, the Labour party condemns dog fighting, as do other parties. We are grateful for the ongoing work of organisations, particularly the RSPCA, the League Against Cruel Sports, Battersea Dogs and Cats Home and many others, in their development of evidence against this. The House has a moral duty to ensure that it does all it can to uphold the welfare of animals. The onus now sits with the Minister to set out further steps that must be taken to ensure that this form of animal cruelty and criminality is more comprehensively addressed.

10.51 am

The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): It is a pleasure to serve under your chairmanship, Sir Roger. I congratulate the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) on securing this debate on what is obviously an important issue that the House cares deeply about, which is why we have had so many Members here. Dog fighting is an absolutely repugnant activity. As the hon. Lady made clear in her opening remarks, it has been banned in this country since 1835. It is certainly depressing to think that it persists to this day. The cruelty is not limited to the dogs directly involved in the fighting; the animals are sometimes used as bait, as various hon. Members have pointed out. One hears distressing anecdotes sometimes about older dogs that end up being used as bait after being advertised for rehoming by elderly owners. That is utterly appalling.

I pay tribute to the League Against Cruel Sports for its work in highlighting the issue and for its work in helping with enforcement to bring prosecutions against the evil people who engage in dog fighting.

Around five years ago, when I served on the Environment, Food and Rural Affairs Committee, I read a detailed academic study into the phenomenon of dog fighting, and other more recent reports suggest that the practice of dog fighting takes place at different levels, as various hon. Members have pointed out. They can range from one-off, one-on-one dog fights in urban parks and housing estates—sometimes called “street rolling” or “chain rolling”—to more organised events behind closed doors, often involving illegal gambling. As other hon. Members have pointed out, that is often linked to other crime. There is also the continued desire for certain individuals to acquire so-called status dogs, which has a link to this problem. They have no concern for the dog’s welfare or the safety of other people, including their own family members.

I want to touch briefly, however, on some good-news stories on dogs. In general, the trend for stray dogs is decreasing, and the latest figures published in September last year showed 102,500 stray dogs in 2015, down from 110,000 the year before and 126,000 five years ago, so we have made some progress. The successful roll-out of compulsory dog microchipping in April will help to reduce that further. We have now got 91% of dogs microchipped as of the end of April. Also, the number of stray dogs being euthanised is down to 5%, which is the lowest figure ever, down from a high of 16% around 20 years ago.

In addition, we have achieved a lot of success in our work with the Pet Advertising Advisory Group. Six of the main pet advertising websites have signed up to the PAAG minimum standards for adverts, which has led to a huge number being removed and no longer appearing, including adverts involving prohibited breeds. Gumtree reported to me that the number of pets being advertised on its website following its signing up to the code has gone down by more than 70%. PAAG members put filters on their websites to identify potentially problematic adverts, which are then tracked and removed. Information is also supplied to authorities such as the police and local authorities to assist them with enforcement action. Key words can range from obvious terms such as “pit bull” to less obvious references to “gameness”, “red-nosed dogs” and “Staffie cross”, which is often code for “pit bull”. Those are all now terms that flag warnings with the websites, and that is an important step forward.

In addition to this work, the Animal Welfare Act 2006 was strengthened to make it far easier to bring prosecutions for dog fighting. There is now a long list of things that make it an offence to cause an animal fight, receive money for admission to an animal fight, publicise an animal fight, provide information about an animal fight, make or accept a bet on an animal fight, take part in an animal fight, possess anything designed or adapted to be used in an animal fight, keep or train an animal for use in an animal fight, keep any premises used in an animal fight and be present at an animal fight. So a wide range of criteria make it easier to bring prosecutions. The maximum penalty for any of those offences is six months’ imprisonment or an unlimited fine, or both.

Before the Animal Welfare Act came into force in 2007, the maximum penalty for causing or assisting in an animal fight was reserved for the people arranging the fights and the fine for other related offences was capped at £2,500. A year ago, we removed the upper cap and there can now be an unlimited fine for animal cruelty. We changed that just a year ago.

I am told there are around 20 prosecutions a year and several custodial sentences, but I understand the calls for the maximum penalty for dog fighting to be increased. Several hon. Members, including my right hon. Friend the Member for Merthyr Tydfil and Aberdare (Lady Hermon), made that point. I can say that in the closing stages of the previous Parliament we looked at this issue and considered the case for increasing the maximum sentence for animal
UK Security and Entry Clearance Procedures

10.59 am

Siobhain McDonagh (Mitcham and Morden) (Lab): I beg to move.

That this House has considered UK security and entry clearance procedures.

With extremism on the rise and threats to our national security increasing, tightening up UK entry clearance procedures should be our top priority, but sadly we have increasingly taken it for granted that our borders are policed and secure from non-UK threats. I sought to bring this issue before Parliament following the brutal murder of Glasgow shopkeeper Mr Asad Shah in March this year. Mr Shah was murdered by an Islamic extremist who violently hated his peaceful Ahmadi Muslim views. His killer, Tanveer Ahmed, declared that he killed Mr Shah to “protect the honour of Islam”.

Mr Shah’s brutal murder, the first of its kind on UK soil, has terrible implications for this country. The radical extremist Islamist views that inspired the killing have been fanned by extremist preachers from outside the UK being allowed to come into this country and spread their hate. Our entry clearance regulations have failed to prevent their entry.

Anti-Ahmadi hate preachers are being let into the UK as we speak, and are calling for Ahmadi Muslims to be killed on account of their faith. For instance, just a month after Mr Shah’s murder, a prominent anti-Ahmadi preacher from Pakistan was touring UK mosques with his message of hate. After I found out, I requested an urgent meeting with the Home Secretary and senior representatives from the Ahmadiyya Muslim community. I was grateful to have met the Home Secretary, but I was extremely disappointed by the fact that reforming entry clearance policies did not seem to be a priority. The Home Secretary did not seem to be aware of this particular radical extremist preacher having been allowed into the UK. It is no exaggeration to say that I left the meeting with a genuine fear for UK security and a grim feeling of surprise that we have not seen even more anti-Ahmadi terrorism on UK soil.

I have no reservations in saying that inadequate Home Office entry clearance procedures are allowing the entry into this country of individuals who pose a direct threat to our democracy and our social cohesion. I shall highlight in my speech why it is so urgent that the Home Office tackles this urgent problem now. As a side point, it is extremely ironic that although individuals who spread hate are allowed into the UK, every MP will be aware that a large number of completely law-abiding Pakistani citizens are refused entry clearance to attend weddings, funerals and other important family events. That, too, is the result of problems with Home Office entry clearance.

I turn to a case study that highlights the gravity of the situation. Mufti Muhammad Hanif Qureshi is a radical Islamist cleric from Pakistan who has repeatedly been allowed into the UK to spread the sort of anti-Ahmadi hate that led to the murder of the peaceful Mr Asad Shah. To be clear, the Ahmadiyya Muslim community, to which Mr Shah belonged, is a persecuted religious
[Siobhain McDonagh]

group in Pakistan. The Ahmadis live by their message of “love for all, hatred for none”, and they categorically reject terrorism in any form. But despite how well-established and peaceful the community is, Ahmadi Muslims are victims of terrible injustice. As they do not believe that Mohammed was the final prophet sent to guide mankind, they face accusations of heresy among orthodox Muslims. At worst, they face extreme violence in Pakistan—and now, sadly, in the UK, too. Anti-blasphemy and anti-terror laws are wrongly used against them in Pakistan, and they are murdered on the grounds of their faith. To this day, they are branded worse than apostates by hard-liners and forbidden by the state to call themselves Muslims.

The intolerance and hatefulness has made its way to the UK. The Muslim Council of Britain has long been criticised for not acting to counter anti-Ahmadi hatred, partly because it, too, does not recognise the Ahmadis as Muslims. Mr Asad Shah in Glasgow was the first Ahmadi Muslim to be murdered on UK soil on the grounds of his faith. Mufti Hanif Qureshi is an individual who is greatly responsible for spreading messages of hate. He is the founder of Shahab e Islami, and is well known in Pakistan for his virulent anti-Ahmadi preaching, of the sort that inspired the murder of Mr Shah. For instance, in a recording of a sermon Qureshi delivered in 2014, which is freely available on YouTube, he said with regard to Ahmadi Muslims:

“Let them know those who consider Sunnis as cowards that Allah has honoured us with the courage and power to strangle those involved in blasphemy, to cut out their tongues, and to riddle their bodies with bullets. For this, nobody can arrest us under any law”.

Such highly inflammatory and hateful sermons have indeed incited others to commit violence and murder. In 2011, Pakistani politician Salmaan Taseer, who opposed Pakistan’s anti-Ahmadi laws, was shot dead by his bodyguard, Mumtaz Qadri. After his arrest, Qadri said he had been inspired to act by a 2010 sermon delivered by Qureshi in Rawalpindi, in which the cleric branded the likes of Taseer as “deserving to be killed” under Islamic law. Qureshi was arrested after Taseer’s murder, but later released, and continued to defend the murder in public sermons before Qadri was executed in January this year.

The same hateful preacher who inspired the murder of a prominent Pakistani politician just a few years ago was last month allowed to enter this country without any problem, despite the murder of Mr Asad Shah in Glasgow just months before. Could the Home Office not make the connection between the incitement of anti-Ahmadi hatred and the committing of murder? Just last month, on 4 May, Qureshi spoke at a Luton mosque where, according to the mosque’s spokesperson, he made a “very impressive” speech to an audience of hundreds. The event doubled up as the 36th annual Khatm-e-Nubuwwat meeting at the Luton mosque. The Khatm-e-Nubuwwat—translated as the “finality of the Prophet”—movement has been implicated in the violent persecution of members of the Ahmadi religious sect in the UK and Pakistan. Despite that, it is a registered charity in the UK and is listed on the Charity Commission website.

Members may well be aware that Khatm-e-Nubuwwat is well known for its anti-Ahmadi views and regularly invites preachers from Pakistan to visit the UK on speaking tours to spread the message of hate. Qureshi is just one example. His words have incited violence in Pakistan and they will incite violence in this country, too. He should be banned from ever travelling to Britain. Given the context of anti-Ahmadi sentiment in the UK and growing religious violence throughout Europe, his message of hate has no place here. How on earth could he have been granted entry clearance? A quick Google search brings up hundreds of English-language news stories about his preaching, yet such a basic level of research was apparently beyond the Home Office.

At my meeting with the Home Secretary, I was stunned to be informed that the high commission in Pakistan had only recently hired a specialist Urdu section for its intelligence office. It seems that until recently there was no one at the high commission in Islamabad who could actually understand some of the watch lists unless they were translated into English. How can our anti-extremism measures be so weak that such terrible oversights occur? Despite the fact that the UK authorities seem to lack the basic linguistic resources needed to identify extremist threats, we know that extremist rhetoric can be changed to moderate for the English-speaking media, and then revert to extremist for Urdu speakers. It is much easier for radicals like Qureshi to switch between the two.

The case study of Qureshi is important because we tend to take it for granted that our borders are policed and protected from individuals who might cause harm to our country. We all lead our lives in the hopeful confidence that the Home Office and immigration officials are able to refuse entry clearance to any person deemed undesirable. We put our faith in Government Departments and agencies to protect our democracy and peace. As far as I know, there is no exhaustive list of reasons why someone’s visa application can be rejected by UK authorities, but there is a list of unacceptable behaviours that would lead to a person being refused entry to, or excluded from, the UK. Qureshi seems to me to fulfill all the criteria, including “using any means…to express views which” seek to “justify or glorify terrorist violence” or incite or “provoke others to terrorist acts…or foster hatred which might lead to inter-community violence in the UK”.

Exclusion is not targeted against any specific group. Those excluded can include, and have included, far-right extremists, homophobic extremists and Christian, Jewish and Islamic extremists. In November 2014, the Home Secretary said that she had excluded “hundreds of people” from the UK—suggesting that those powers are sometimes enforced—including 61 people on national security grounds, 72 who “would not have been conducive to the public good” and 84 hate preachers. So why was Qureshi able to enter this country just a month after his brand of anti-Ahmadi hatred had inspired the murder of a peaceful Glasgow shopkeeper?

Alison Thewliss (Glasgow Central) (SNP): I am very grateful to the hon. Lady for securing this debate. The murder of Mr Shah in Glasgow absolutely shocked all of us in the city. Does she agree that while hate preachers such as those she has described can come into the
country, the Ahmadiyya community in Glasgow and the rest of the UK cannot really have confidence that the UK is keeping them safe?

Siobhain McDonagh: I completely agree with the hon. Lady’s comments. The expressions of hatred across the country, particularly since the referendum result was announced last week, show us the importance of preventing extremism by all means. Simply, it threatens the fabric of our democracy and our social cohesion. Mr Shah’s murder demonstrates how high the stakes are.

Back in 2005, in the wake of the London bombings, the then Home Secretary, Charles Clarke, said that Departments and intelligence agencies were working together to “establish a full database of individuals around the world”.—[Official Report, 20 July 2005; Vol. 436, c. 1255.] He said that such information about dangerous people would be available to visa and immigration staff and added to the UK’s warning index. We cannot know the details of Home Office and intelligence workings, but given the admission of Qureshi to the UK just last month, we can assume that they may not be working.

History teaches us what the consequences are when the Home Office does not do its job properly. For example, the Pakistani cleric Masood Azhar delivered extreme messages across the UK in more than 40 mosques in the early 1990s. At the time of his tour, he was chief organiser of the prominent Pakistani jihadist group Harkat-ul-Mujahideen. We now know that Azhar, who was close to Osama bin Laden, planted the seeds of extremism on his 1993 UK tour that later inspired at least two Britons to go on to plan the 2005 London bombings and the beheading of US journalist Daniel Pearl. One would hope that the UK authorities had learned their lesson, but the admission of Qureshi suggests that not much has changed.

The Henry Jackson Society published a short report earlier this year as part of its “Student Rights: Tackling extremism on campuses” project, which detailed the range of individuals expressing extremist and hateful views who were given a platform at UK universities, mainly in London, in the last year. It includes South African politician Mr Julius Malema, who was convicted of a hate crime just a few years ago, Mr Asim Khan, who has compared “homosexuality to incest and ‘burglary, theft and sexual abuse’” and Mr Suliman Ghani, who “has expressed sectarian attitudes towards Ahmadiyya, claiming they are not Muslims”.

The UK Ahmadi community and the very fabric of our democracy is under threat, now more than ever. In April, leaflets calling for members of the Ahmadi Muslim community to be killed were allegedly distributed in universities, mosques and shopping centres in London. One leaflet distributed widely in Stockwell, for example, entitled “Qadianis”—a pejorative name for Ahmadis—describes Ahmadis as “dualist infidels” and “worse than apostate”. It prescribed the same punishment doled out for apostates—those who have renounced their own religion—giving Ahmadis three days to denounce their faith or else “be awarded capital punishment”.

Scottish mosques are becoming increasingly radicalised in the wake of Mr Shah’s murder, and anti-Ahmadi conferences took place in Slough just a few months ago. The threat posed to our society is real and imminent, and now inept Home Office entry clearance procedures have allowed hate preachers such as Qureshi, who has called for death penalties for Ahmadi Muslims, into our UK Muslim communities. These are dangerous times for our democracy and the precedent for racial and religious hatred is huge. The British Government’s double standards are terrifying. At one end, they seek to crush all extremism—we know from the recent terrible atrocities that that goal is more important than ever—and yet they still give visas to people such as Qureshi, who incite intolerance and even violence in our society.

There should have been an absolute storm of anger following Mr Shah’s death. Just hours before he was murdered, he posted a message of peace and love on Facebook to his Christian friends, on the occasion of Good Friday. Hours later, he was brutally murdered outside his shop by a religious extremist. Why have we not called out Mr Shah’s murder for what it is—a religious hate crime? Is it because we cannot be bothered to understand that victims of Islamist extremism include other Muslims, as well as non-Muslims? I shudder at the thought that we do not take Mr Shah’s death seriously.

Developing stronger Home Office entry clearance structures to screen out individuals such as Qureshi from being able to come to this country are just part of the problem—internet and social media communication means that pan-national extremist and terrorist threats can spread beyond borders in seconds—but allowing such hatred to cross our borders is almost legitimising or endorsing their hate. Qureshi, and all those who express his hateful views, have no place in our country. Today more than ever, we have to ensure that such individuals are not able to come here and spread their hateful messages under the banner of free speech.

I ask the Minister the following questions. To what extent can the Home Office check if a person has promoted hate and extremism when a visa application is made? How do the Government monitor hate speech in Pakistan and elsewhere to help inform their visa decisions? Do the UK Government give equal weight to hate speech whether committed online, on TV or in any media, including social media? How can individuals or organisations in Pakistan or the UK provide information on such matters that would be of use? What procedures will the Government put in place to make that easier? I sincerely hope that the Home Office takes seriously the deep flaws that are jeopardising security and social cohesion as we speak. Only then can we claim to have a society that promotes love for all and hatred for none—the Ahmadi ideal that we should all seek to live by.

11.16 am

The Minister for Immigration (James Brokenshire): It is a privilege to serve under your chairmanship, Sir Roger. I congratulate the hon. Member for Mitcham and Morden (Siobhain McDonagh) on securing the debate and highlighting this extremely important issue.

Hatred and extremism in our society must be challenged in all their different forms. The hon. Lady highlighted the appalling murder of Mr Asad Shah for the faith that he professed. The Government utterly condemn that act. We take with the greatest of seriousness our responsibility to combat those who sow hatred in our country and our communities, which might inspire others to take action against our own citizens for their faith.
Entry clearance officers are required to check a range of databases, including biometric, Home Office and police databases, for any traces of the applicant’s history. The biometrics fix the identity of the applicant so that entry clearance officers can identify the same individual in the future, and so that important information about the applicant’s immigration history, including any travel ban or exclusion order, is available even if, for instance, they change their name or seek to conceal their identity. In addition, applicants must qualify for entry under the immigration rules and will normally be refused a visa or leave to enter or remain if they do not.

The authority to carry scheme, operated by the national border targeting centre, means that carriers, including airlines, require authority to carry individuals to the UK. That authority may be refused for any individual who has been excluded from the UK, whom the Home Secretary is in the process of making the subject of an exclusion order or who is the subject of United Nations or EU travel restrictions. If authority to carry a specific individual is refused and that individual is carried to the UK, the carrier is liable to a financial penalty of up to £50,000. Our processes on arrival at the border also include full checks against Home Office databases, providing further assurance.

Siobhain McDonagh: This is a dialogue of the deaf. I have explained to the Minister a case in which an individual who has been cited as the cause of a murder in Pakistan and a murder in the UK was granted entry clearance. Can we address that issue?

James Brokenshire: As I have already stated, I am unable to comment on individual cases, for sound legal reasons. I am trying to explain the steps that are taken, and I will come on to the process for exclusion orders, which is at the heart of what the hon. Lady is talking about. Our special unit within the Home Office analyses information and is a core part of the activities that the Home Office undertakes.

We are clear that the threat the UK currently faces from extremism is unprecedented. The Government are taking a stronger stance to ensure that extremist ideas do not gain a foothold here and challenge this country’s values of tolerance, respect and democracy. We have acted to protect our communities by publishing our counter-extremism strategy, which is based on four pillars: countering extremist ideology; building a partnership with all who are opposed to extremism; disrupting extremists; and building more cohesive communities. The strategy will challenge all forms of extremism. The Government, however, can only do that in partnership with all those who want to defeat extremism and build a stronger Britain.

As Her Majesty the Queen recently announced to Parliament, the Government intend to introduce a counter-extremism and safeguarding Bill to provide stronger powers for the Government and law enforcement agencies to protect the public from extremists. The Government will consult on new powers for disrupting extremists before they are introduced.

On the specific issue of exclusion, the Home Secretary has the power to exclude from the UK foreign nationals whose presence she considers would not be conducive to the public good, or whose exclusion is justified on grounds of public policy or public security. A person

[James Brokenshire]

I have had extensive contact with the Ahmadi community over a number of years. I have visited the mosque in Morden, and I have had the privilege of sitting down with His Holiness to talk through a number of issues, including how we combat extremism and terrorism. I am clear that the Ahmadi community makes an enormous contribution to our society and culture in the UK. I, for one, stand up and defend the right of members of that community to profess and practise their faith without fear of intimidation or violence. I assure the hon. Lady of my personal commitment on that issue, of the steps I have taken over a number of years to work with the Ahmadi community, and of the respect that I have for that community and the work that it does.

The hon. Lady made a number of points about confronting extremism and about how our visa processes operate. I want to reassure her about the importance that we attach to the issue and the steps that we have taken to prevent preachers of hate from coming into this country. I am unable to comment on individual cases, some of which are subject to orders, but I would like to take her through some of the processes and procedures that we adopt. I also underline that the current Home Secretary has banned more hate speakers than any preceding Home Secretary and is committed to this issue.

The debate gives me the opportunity to clarify that we have robust policies and procedures in place to ensure that foreign nationals who seek to undermine the national security and values of the UK through violence and hatred can be prevented from coming here to do so. Visas—entry clearances—are important tools to reduce illegal immigration, tackle organised crime and protect national security. They allow us to intervene before someone arrives in the UK. The information provided in the application process enables us to identify links that we would otherwise not have known about and, where appropriate, prevent someone from coming to the UK by refusing a visa. It is of paramount importance that immigration processes ensure that individuals who have come to notice as a threat to the UK’s security and society, or who may present such a threat, are prevented from coming here to spread their messages and incite violence.

Visas are an important part of our immigration system, which is fair to legitimate migrants and tough on those who flout the rules. We have strong processes in place at all stages—visa application, leave to enter and extension of stay—to provide assurance that appropriate checks are made before any leave is granted. UK Visas and Immigration staff play a critical role in distinguishing between those who are entitled to come to the UK and stay here and those who are not. That requires appropriate application of the immigration rules and a series of checks on individuals, so that accurate decisions can be made to help keep the UK safe and secure.

The operating mandates of the Border Force and UKVI require specific checks to be made, with referral to experts where necessary. Entry clearance officers receive a range of training to support them in identifying individuals who may pose a threat to the UK. For those who need a visa to come to the UK, the application process requires the applicant to declare any criminality or immigration offence and to provide their facial image and fingerprints as biometrics.
may be excluded for a range of reasons, including national security, criminality and unacceptable behaviour. There is no time limit on exclusion, and a person who is excluded remains so until the Home Secretary lifts the exclusion. Anyone excluded by the Home Secretary who applies for entry clearance or leave to enter must be refused so long as the exclusion remains in force. That power is very serious, and no decision is taken lightly or as a means of stopping open debate. All decisions must be based on sound evidence and must be proportionate, reasonable and consistent.

Although I cannot comment on particular cases, the current Home Secretary has excluded more than 100 hate preachers from the UK since May 2010, which is more than any previous Home Secretary. Our special cases unit works with language and other experts to look at social media and other media to identify those who may pose a threat and therefore may need to be considered for such action. The Home Office has a sense of purpose and seriousness in addressing those who could pose a threat.

Sioibhain McDonagh: How many Urdu speakers are there in the specialist unit?

James Brokenshire: Given the time available, I will write to the hon. Lady with details on the work, including those who are involved and the steps being taken. She and I have had previous exchanges on these issues, and obviously I am happy to provide further detail and information and, equally, to reflect on some of her questions to which I have not responded specifically.

I underline the unprecedented threat that the UK faces from extremism, with extremists using the internet to spread their ideologies quickly and on a scale that we have not previously seen. That is why we have introduced new approaches for combating and confronting extremism. We recognise the challenge we face in our communities where extremism takes root. The hon. Lady is right to highlight the appalling murder of Mr Shah and its impact on the community in Glasgow, and I recognise that in the firm and clear way in which I am underlining our utter condemnation of any acts of violence. Equally, the Government have resolved to confront all forms of extremism, including by identifying those who may wish to travel to the UK to peddle their hate and ideology. To safeguard our communities and confront extremism in all its forms, we will continue to take action to prevent such people from travelling to the UK.

Question put and agreed to.

11.29 am

Sitting suspended.

Football Hooliganism

[ANDREW ROSINDELL in the Chair]

2.30 pm

Gareth Johnson (Dartford) (Con): I beg to move, That this House has considered football hooliganism.

It is a pleasure, as normal, Mr Rosindell, to serve under chairmanship. I bring this debate to Westminster Hall not claiming in any way to be a football expert—a lot of people in England might be claiming that right now, but I do in particular. In many respects, I am not a huge football fan, but I am proud to be English, and over the past few weeks I have been sickened, frankly, at the all-too-familiar sight of English football hooliganism on the television. It is not something new, unfortunately; it is something we have had to endure over a long time.

I wanted to secure this debate simply because I am sick and tired of watching scenes of disorder and violence following the English football team around, in particular during the recent Euro football finals. The scenes were depressingly familiar and, frankly, embarrassing for anyone English. Time and again, England has witnessed its name dragged through the mud by a group of people who want to use football as a vehicle for their love of violence. We do not tolerate drunken behaviour on the high street or anywhere around the rest of the country, so we should not tolerate it when it follows football either.

The strange thing about football hooliganism is that a mob mentality often seems to take over. The crowd encourages intolerance of, and turns on, anyone not in their group, whether a member of another fan club, a local resident or someone in some way different from them. Such disorder simply puts decent people off attending games.

Mr Gregory Campbell (East Londonderry) (DUP): Does the hon. Gentleman agree that the converse is the impeccable behaviour we witnessed at the Euro 2016 championships of, for example, the Welsh and Northern Ireland fans? Their behaviour was exemplary and outstanding. I assume he will go on to say that we need to encourage the vast majority of fans throughout the United Kingdom who are decent and well behaved to encourage the vast majority of fans throughout the United Kingdom who are decent and well behaved to ensure that such behaviour is the standard by which everyone else is judged. Those who fall short of that standard ought to be penalised very heavily indeed.

Gareth Johnson: I am happy to congratulate the fans from Ulster and Wales on their behaviour, generally speaking. Some incidents were reported that involved those groups of fans, but it is right to say that, generally, they were a credit to Northern Ireland and to Wales. The majority of English fans were also well behaved—I do not think anyone disputes that—but there were those actions by a tiny, selfish group of people.

Northern Ireland can be very proud of reaching those finals. It is a shame in many ways that England did not face Northern Ireland, because it would have ensured one further UK team—[Interruption.] I am not claiming that England would have won the game; if we could not beat a team from a country with 300,000
people, we might have struggled to beat Northern Ireland. Nevertheless, that might have enabled another UK team to go further forward.

Northern Ireland can hold its head high and be proud of the fans who followed its team and who, without doubt, helped the team. Another aspect of the problem is that the hooliganism cannot help the England team to play well. Wayne Rooney being forced to condemn the behaviour of some of his own fans on television must have an effect on the team’s morale and performance. I am not for one minute claiming that football hooliganism caused England to play as badly as they did, but it cannot have helped the overall atmosphere in the England camp if they had to deal with hooliganism issues.

People see the incidents that we all witness on the television and simply will not risk getting involved in the inevitable problems. There is no way that I would take my wife and children to follow England in a football tournament, because I would not want to run the risk of my family getting caught up in those problems. It is incredibly sad that a proud English person who takes an interest in football might not be willing to take the family abroad to follow the England team. Some families, of course, do so without any problem, but I would not run the risk with my family, and that is sad.

Many of the hardened football hooligans have been kept away from international tournaments by banning orders. A drunken yobbishness, however, has taken over from that hard-core hooliganism, with some people still being generally aggressive and unpleasant, leading, inevitably, to antisocial behaviour. We saw many such instances in France in the recent tournament. It is right to say that other fans also behaved badly in Marseille, with problems emanating from various different countries, and the irresponsible comments by Vladimir Putin certainly did not help the situation in France.

The Minister for Policing, Fire, Criminal Justice and Victims (Mike Penning): I am conscious that I am interrupting a detailed and passionate speech, but we must not imply that the whole of Russia supported the violence we saw by so-called Russian fans, particularly in Marseille. Incidentally, following that situation, the Secretary of State for Culture, Media and Sport spoke to the Russian Sports Minister, who then made statements that we would respect. I will speak later about how some of the England fans were not England fans; they had stolen England paraphernalia and merchandise on them, but were Russian. Also, not all Russians agreed with President Putin.

Gareth Johnson: That is welcome news. I pay tribute to that unit, which is working its socks off at the moment to try to tackle this problem. Many of its officers were out in France assisting their French colleagues in dealing with the problem, and they worked hard for months, but this is frankly a problem that the police cannot solve without the problem, and they worked hard for months, but this is frankly a problem that the police cannot solve.

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Mike Penning: Although those numbers are correct, the police often will not release video evidence while investigations are ongoing, because that sometimes alerts the culprits. In many cases, we have passed on video evidence to the French authorities to assist them in their prosecutions, which we are still awaiting in some cases.

Gareth Johnson: That is welcome news. I pay tribute to that unit, which is working its socks off at the moment to try to tackle this problem. Many of its officers were out in France assisting their French colleagues in dealing with the problem, and they worked hard for months, but this is frankly a problem that the police cannot solve without the problem, and they worked hard for months, but this is frankly a problem that the police cannot solve.

In many ways, we should not be surprised that there were problems in Marseille. A depressing amount of football hooliganism has taken place in the domestic English football leagues this season. Arrests are down, but I think it is fair to say that significant problems endure. A culture seems to have grown up that allows antisocial behaviour to occur at football matches. We saw last month the pictures of the Manchester United coach being attacked by some West Ham fans. It is correct to say that only a few dozen people took part in smashing the windows of that coach, yet there were hundreds of people present who supported and did not condemn that action. Many people there actually encouraged it. That culture enables problems to build and build.

Football hooliganism will never be stopped until football fans themselves universally condemn and turn their backs on it. The police can do only so much to...
prevent such activities from taking place. Banning orders in themselves cannot change the culture among football hooligans, but football fans can. Those who take part in violent behaviour or encourage others to take part should expect to be banned from following England abroad. It is entirely proportionate to restrict someone's movements abroad if they have behaved in a violent or disorderly manner when following the England football team. Millions of people in this country love sport, which enriches society and helps to bring us all together, but we should do more to stop those who seek to undermine that and spoil it for everyone else.

2.43 pm

Steven Paterson (Stirling) (SNP): I am grateful for the opportunity to speak in this important debate and to serve under your chairmanship, Mr Rosindell. I congratulate the hon.Member for Dartford (Gareth Johnson) on securing the debate.

It is appropriate that we are having this debate now given the recent incidents of football hooliganism, which raise fears that an ugly stain on our game that was possibly definitively on the down is now on the rise. We must make sure that this is not the case. The police, legislators and society at large must work together to stand up to this scourge. If we are realistically to challenge unacceptable behaviour, we must take a dispassionate view and look at what will make a positive difference.

Mr Gregory Campbell: The hon. Gentleman is talking about football in general having to take a stand. Does he agree that that is all the more important looking ahead to the World cup in two years’ time, given that there will be more countries and that, as the Minister has pointed out, a minority of Russian and English fans have already indicated that they are involved in violence? We must prepare for that tournament in Russia to ensure that a very serious situation does not occur.

Steven Paterson: That is an important point. The world of football must take a collective view that such behaviour is not acceptable, and it must work together. It is undoubtedly true that the recent headlines have been predominantly about Russian and English fans, but those are not the only incidents. Incredibly, flares have been set off during many games at the current tournament, and that is just not acceptable. Some of the things we have seen during the tournament in the media and on social media, particularly from fans of England and Russia but from others too, are violent and unacceptable, and we must stand together and oppose them.

Closer to home, we have recently seen hooliganism in my country, Scotland. There were unsavoury and unacceptable scenes at the Scottish cup final at Hampden Park. I do not stand here to say that we do not have any problems in Scotland, because we do. We share this problem, and we must stamp it out.

My wish to take part in the debate was based on my experience of following Scotland abroad since the 1990s. I have been to the majority of European countries and capitals. The team has not always been successful on the pitch, I must admit, but the supporters’ behaviour off

the pitch has been impeccable. One point that I want to make, based on my observations across Europe and as far afield as Japan, is about effective policing and organisation—or the lack of it. That is a huge determinant of whether events are peaceful and successful. If the policing and organisation are found wanting when it comes to dealing with well-behaved supporters on the international scene, such as the Scottish, that flags up the possibility that real problems may arise with supporters among whom there is trouble and a more unacceptable side.

Well planned matches, where fans are told clearly where they should go and there is ample room for ticket checks and searches of bags—or sporrans—are the successful ones that go without a hitch. It beggars belief that so many fans have managed to get fireworks into the grounds during the tournament that is going on in France. That can only represent a serious failure on the part of the organiser and the police, and we should say so.

Mike Penning: Colleagues are being generous in giving way. I would like to raise two points. First, everyone seems to think that flares are fun, but they are enormously dangerous. They burn at some 2,000° C, and as a former firefighter I have seen the damage that flares can cause to human flesh. That is why they are banned across Europe, and particularly in our stadiums. We saw some flares at Glastonbury, and I hope that they will soon be banned at music festivals as well.

Secondly, I refer the hon. Member for East Londonderry (Mr Campbell) to the fact that although arrests have been predominantly of English fans, of the 65 UK supporters who have been arrested, 11 are from Northern Ireland. Two have been arrested for criminal damage, two for public order offences, one for drunkenness, four for assault, one for ticket touting and one for pitch invasion. That is probably nowhere near representative of what actually went on, but I thought that it should be put on the record that although some English fans were really bad, there was sadly Northern Irish involvement as well.

Steven Paterson: On fireworks, I am sure that we all remember the Croatia game, when a flare came on to the pitch and nearly exploded in the face of a steward—it could have blinded that gentleman. That is unacceptable. Flares are not fun, they are not toys, and we must clamp down on them. The Minister’s second point goes back to my overriding point that this is not a problem that one country has and another does not; it is a problem that football has, and we must work together to be rid of it.

I have had good and bad experiences of organisation at Scotland games. I remember trying to get into a game at Kaunas in Lithuania and being shouted at by a policeman with a machine gun for being in the wrong place when I was actually in the place that another policeman with a machine gun had sent me to. That demonstrates a lack of organisation—it is simple stuff that we take for granted, but it can cause real problems, as it nearly did that night. Doing the right thing and attempting to get into a ground with a ticket can be problematic, and it goes back to the issue of searches and how fireworks get into grounds.
In certain stadiums, including in my last experience in France, people cannot even get into the stadium with a bottle of water, which is as it should be. That means the job is being done properly, so I cannot understand how fireworks are getting in. The last time I was in Macedonia, the police seemed overwhelmed by a few thousand Scottish fans coming to the stadium with 20 minutes to go to get in. There was one turnstile and no plan whatever. I actually had to balance my way along a ledge and under a railing to get into that game, which I had a ticket for. It was just not well organised, which can cause real problems.

I move on to the more serious and insidious problem that we are talking about today: those who follow a football team in order to wilfully engage in hooliganism and violence. In the modern age, the internet and social media make that much easier to organise than ever before, including when hooliganism was at its height a few decades ago. We face a different challenge now, because hooliganism can be organised differently and much more effectively. We have to take that seriously. My understanding is that banning orders are currently used for those convicted of football-related offences, as the hon. Member for Dartford said. That happens under legislation in Scotland, England and elsewhere. I certainly support that as far as it goes, but I wonder whether it is adequate to deal with what we have seen in recent weeks.

Many incidents take place abroad, which, as has been said, poses different challenges. It is perhaps unfortunate that we are talking about the issue after last week’s referendum result, but surely we should work on a pan-European basis to deal with it by sharing police expertise, information and intelligence and by making sure that what we know about the thugs is shared so that action can be taken.

We should think about the problem in a similar way to how we consider gang culture, because it is not all that different. After all, we are talking about violence and disorder that is clearly well organised, territorial and tribal, so maybe we should deal with it in a similar way. I also want careful consideration to be given to how, as has been mentioned, evidence from social media can be used to identify and prosecute thugs for offences committed abroad and to ensure that lifetime bans can be implemented.

It seems to me there is a widespread feeling that loutish and criminal offensive behaviour committed abroad somehow does not count—that it is okay for someone to do it abroad, because it does not come back to bite them. That may explain why so many of these imbeciles seem happy to be filmed on mobile phones and have their appalling and offensive behaviour put up on social media for the world to see. For our measures to be effective in stamping out that type of behaviour across Europe, we need the co-operation of our colleagues across Europe and other in football-loving nations of the world, backed up by effective sanctions for anyone who engages in hooligan behaviour associated with football. Otherwise, I fear that we will see regular repeats of the wanton thuggery that has been in the news and all over social media. That would be to the serious detriment of the beautiful game and to the real supporters, who want to see games, enjoy them and see the best team win.

My hon. Friend the Member for Stirling (Steven Paterson) said that everyone must stand together to address this scourge. He spoke of the large incidence of flares at the tournament and that poor or intimidating policing can cause or exacerbate situations. He also spoke of using evidence from social media to secure
prosecutions of the “imbeciles” — I think that was the word he used — involved. Crucially, he spoke of his own experience as a regular tartan army conscript at away matches.

I had forgotten this memory, but back in 1986, I went to a Scotland—England game at Hampden Park with my father. I think that it was the Rous cup and I believe that England won 2–0 that day; we will gloss over that. On my way to the game, we were walking up a fairly famous hill with burger vans on either side. We were halfway up the hill when we heard a commotion from the bottom. It was a group of England fans who were chanting and all of a sudden they charged up the hill towards us. I was six years old, so I only vaguely remember it, though I remember being frightened. My dad was extremely worried, given that his six-year-old son was with him, and a policeman had to usher us behind a burger van and keep guard over us as the England fans went past, so I have had a small brush with this myself, albeit 30 or so years ago.

The violent and thuggish scenes we have witnessed on our TV screens have brought the Euro 2016 tournament, and football itself, into disrepute. Those thugs — they are thugs, not football supporters — have attempted to shame their team and their nation by engaging in reckless and violent acts. We must ask ourselves why those people would be willing to spend significant sums of money to travel to the European championships to engage in hooliganism, rather than to watch and support their team. Let us be clear: these hooligans do not represent their fellow supporters; they shame football and they disgrace their nation.

Thankfully, that violence seems to have largely dissolved, but it is only right to mention the trouble before and after the Russia—England match in Marseille, which has already been mentioned. The scenes were sickening and the most disturbing element of all was that innocent people were being attacked purely because they were in the wrong place at the wrong time. There were a significant number of arrests following the match between England and Russia, and it is only right that the UK Government and Parliament support the respective authorities in taking action against those who were arrested. The Scottish National party strongly supports efforts by the French and UK authorities to hold those responsible to account and welcomes the efforts of the police and the French authorities.

During an urgent question following that violence, I was troubled by the language used by some English Members — only some — in describing the Russian fans as “thugs” and the English fans as “supporters”. We have to be honest with ourselves; we have been honest in the debate so far. Yes, the charge by Russian thugs after the game was horrific and many genuine English fans were caught up in that incident. However, some English thugs had disgraced their country before the Russians had turned up, so let us not hide behind the Russians and fail to address the issues that elements of the travelling England national team supporters have had for a long time, just as we have to be honest and learn the lessons and take action after trouble following the Scottish cup final, which has already been mentioned.

As well as considering why people choose to use football as an excuse to engage in violence, we must discuss what kind of punishment we can mete out that might discourage football hooliganism. The trouble caused in Marseille led to England and Russia receiving warnings from UEFA that they faced disqualification from the tournament if there was any repeat of violence inside a stadium. UEFA is right to say that it has no jurisdiction over violence in city streets, but that is where we have witnessed the majority of incidents; that must be addressed, or fewer fans will want to travel to tournaments and there will be less appetite to host the tournaments. The football governing bodies, UEFA and FIFA, must now look at disqualified teams if their supporters engage in violence inside or outside stadiums. I can appreciate the difficulties of implementing such a policy, but we must consider all options and have zero tolerance on football violence.

Scotland fans — the tartan army — have a fantastic reputation all over the world and are welcomed with open arms by the cities and countries they visit. However, the cup final aftermath shows that we cannot be complacent in Scotland about fan behaviour. The Scottish Government will continue to work with a range of bodies, including the Scottish Football Association, to tackle violence and offensive behaviour in general.

I am aware that those who engage in football-related violence are now using technology to plan and organise the violence. An Independent article mentions the online tool Hooligan 2.0 as a means of co-ordinating violence. I mentioned working in partnership with a range of bodies to help tackle this problem; with that in mind, the Government should engage in conversation with internet service providers to ensure we can take action to prevent access to tools like Hooligan 2.0. I would like the Minister to confirm, in his summing up, whether that is something they have done or will consider in the future.

Following the match between Russia and England, I was heartened to see Roy Hodgson and Wayne Rooney appear on television urging England fans to walk the other way if they saw violence. We must underline how important football figures are in helping to shape and influence the behaviour of supporters. Footballers are role models — whether we like it or not sometimes — and we should use their influence to tackle the problem of football-related violence.

We also need action from central Government on this matter, as there is a strong chance that someone who engages in violence at football may also engage in some other form of violent and criminal behaviour when away from a football ground. As such, it is important that we do not view this as just a football problem. We need to take action against this violence in whatever form it takes and wherever it is committed.

I would like to see more action on the domestic violence that is committed after football games. In 2014, the University of Lancaster reported that cases of domestic abuse in the Lancashire area increased by 38% when the English national side exited the World cup. This is not only a problem that affects England; similar research has been conducted in Scotland that suggests cases of domestic violence almost double after old firm games.

The point that I am trying to make is that we need to take action against those who engage in violent behaviour inside and outside football stadiums. By working with a range of bodies we need to eliminate the thought process that so many people have: that they can use football as a means of engaging in violent behaviour. In doing
so, we also want to take action against those who extend their violent behaviour from the football stadium to their homes and communities. We cannot allow hooligans to use football as an excuse to lift their hands to others. Despite the chaos and disunity among Government and main Opposition Members, I trust that tackling and eliminating this behaviour will unite all parts of the House.

3.3 pm

Carolyn Harris (Swansea East) (Lab): It is a pleasure to serve under your chairmanship, Mr Rosindell. I congratulate the hon. Member for Dartford (Gareth Johnson) on securing such an interesting debate. I concur that under normal circumstances this would have been a much better attended debate, but everybody’s contributions have made it very interesting and thought provoking.

It has been a mixed few months for football. We finally received justice for the 96 Liverpool fans killed in the Hillsborough tragedy. The record finally states, once and for all, what we all knew: that on that fateful day football fans were the victims of unlawful killing and were let down by a catalogue of failings by the police that undoubtedly contributed to their deaths. It was a verdict that was long overdue.

At the European football championships in France, Northern Ireland fans have, on the whole, been a credit to themselves and to the United Kingdom. The green and white army, like their neighbouring fans from the Republic of Ireland, have carried themselves with charm and dignity, making a lot of friends along the way. Unfortunately for Northern Ireland, their fire was finally extinguished on Saturday night by the mighty Welsh—of which I am one.

The Welsh fans, like the majority of English fans, have also behaved wonderfully and have brought colour and joy to a festival of football in France. England have now sadly left the tournament, which has caused heartbreak right across the nation and right across the House. I feel your pain; however, Wales are carrying the torch for the United Kingdom now. I am sure all colleagues will join me in congratulating Wales on that and in offering their support, in the hope that Wales will carry the flag through to the final.

The other side of the story is that we have seen scenes of violence and disorder from mostly Russian, but some English, fans in Marseille and Lille. Although it appears that the vast majority of the violence was instigated by Russian ultras who travelled to France with the sole intent of causing violence, it would be remiss of us to pretend that there was not a very small minority of English fans who were complicit in that disorder.

Domestically, over recent years, there has been disorder in Tyne and Wear in 2013, and there were ugly scenes in May this year at the Scottish FA cup final involving Hibernian fans. The violence both abroad and at home evoked images that I had hoped were long gone from our screens in connection with football. Unfortunately, whether we like it or not, football hooliganism is back in the news. It is our responsibility to make sure that we do not return to the culture of football hooliganism that characterised British football throughout the ’80s and ’90s. There was a five-year ban from European club tournaments for English teams, and 584 arrests of British citizens at Euro 2000 after trouble in Brussels and Charleroi. Going to a football match became a risky endeavour.

Tackling football hooliganism has always required both an effective legislative approach—to target stopping those guilty of participating in hooliganism from attending games—and working with fans and fan groups to create a positive culture in football. I pay tribute to the work of the Football Supporters Federation; through its England football fans embassy, it has provided travel advice and an emergency contact to fans travelling to watch England games across the world. That important resource helps to create a safe environment when our national teams travel to major overseas international tournaments.

Steven Paterson: Does the hon. Lady agree that the important thing to think about when we go to watch international teams, in terms of the culture of the support, is that the competition is on the park? It should be a privilege to visit countries, get to meet the people there and celebrate our different countries, rather than having the attitude, which seems to prevail in some quarters, that people must go to other countries to show that they are better than them. The competition should remain on the pitch.

Carolyn Harris: I totally agree. When we have visitors to this country we expect them to show us courtesy, and I think it is our duty to show the same courtesy when we travel abroad.

Football hooliganism at home is far less common than it was 30 years ago. Incidents such as those at Hampden Park in May, or at the Tyne-Wear derby in 2013, hit the headlines precisely because they are now uncommon, but we must not be complacent. We must not take the successes that we have had for granted. Initiatives such as Kick It Out and Show Racism the Red Card have been influential in making football and football stadiums in the UK more inclusive environments for people wishing to attend games. By going into schools and spreading a message of anti-racism and anti-homophobia, those campaigns have played a tremendous role in encouraging young people to get involved in sport. Sadly, however, as a result of Government cuts, funding for those schemes has been cut both by local authorities and by the Department for Communities and Local Government. I urge the Minister to consider restoring that funding. Educating our children is the best way to make lasting changes to football culture.

The Labour Government introduced legislation to tackle football hooliganism. Football banning orders were introduced to help ensure that those convicted of football-related violence could not attend football games. In 2010, 3,174 football banning orders were in place; currently, there are 2,181 banning orders. There is an unclear picture about why that number has reduced and about how the banning orders are being implemented across the country.

Figures on football banning orders obtained through a freedom of information request show that 43 FBOs were issued to under-18s in Tyne and Wear, while Greater Manchester and more than a dozen other forces had not issued any to under-18-year-olds. In the light of the incidents in France, I urge the Minister to commit to...
publishing more clear information about how banning orders are being implemented. The Football (Disorder) Act 2000 introduced the power to introduce an FBO based on a complaint made by the relevant chief officer of police. An FBO can be imposed if the court is satisfied that there are reasonable grounds to believe that making a banning order would help to prevent violence or disorder at football matches. It is important to ensure chief officers know that they have that power and that they use it to help prevent football-related violence both at home and abroad. I urge the Minister to make it clear how extensively this power has been used by chief officers, and will he tell us what funding is provided to investigate potential FBOs?

Labour’s Football (Disorder) Act allows courts to impose FBOs, placing domestic restrictions on football-related activity among those arrested for football-related violence while abroad. Will the Government update us on the current situation and on the small number of football fans who were arrested while at the Euros in France?

Steven Paterson: The bans apply only to domestic matches. I understand that is where the jurisdiction is, but I look forward to some clarification from the Minister on how we can internationalise that and stop these people going to matches abroad as well as here in the UK.

Carolyn Harris: I am sure the Minister will enlighten us when he gets the opportunity.

In conclusion, we have come a long way. The vast majority of our football fans have behaved fantastically at the Euros. We have made considerable changes in the culture of football right across the country. Premier League and Football League grounds have become inclusive places where men, women and children, ethnic and religious minorities and people of different sexual orientations can all come together and enjoy world-class sport. This is profoundly different from the culture that prevailed for much of the past 40 years, so we can be very proud of what we have achieved. However, as I have said, we cannot become complacent. I urge the Government to restore funding for educational programmes in our schools and to provide clear information to make sure that football banning orders are used properly as steps towards ensuring that the rare scenes of violence that we have seen recently do not start to become a trend.

3.12 pm

The Minister for Policing, Fire, Criminal Justice and Victims (Mike Penning): It is a pleasure to serve under your chairmanship, Mr Rosindell. Although we might have had more Members here this afternoon, the debate has been well mannered and factual. My hon. Friend the Member for Dartford (Gareth Johnson) secured this debate because of what we have seen at the Euros and because of what has been happening in the UK and Northern Ireland.

I am an ardent Tottenham Hotspur fan who was born in Edmonton. I have no choice about the matter. I must say how disappointed I was with the five Tottenham players in the England side that played—I think they played—not particularly well against Iceland. I wish Wales well in their next game. I hope that they will go further and do better than they did against New Zealand in the rugby tour.

It is fair to put the record straight for the hon. Member for Swansea East (Carolyn Harris). Perhaps she never thought she would be standing opposite me as a shadow spokesman talking about this, but she has done really well. We are good friends and I wish her well in whatever role she takes on. She stepped into the breach today and she has done really well.

On the Euros, 65 UK supporters were arrested: 45 English, and 11 from Northern Ireland and nine from Wales. The offences by England supporters were six for assault, 14 for public order, 13 for drunkenness, nine for criminal damage, two for drugs and one for ticket touting. For Northern Ireland, the figures are two for criminal damage, two for public order, one for drunkenness, four for assault, one for ticket touting and one for pitch encroachment, which used to be called an invasion. For Wales, the number is limited to the nine who let the country down: five for drunkenness, two for assault and two for possession of a flare. How on earth did they get flares through the grounds? Flares come in large and small sizes; some are actually pyrotechnics and have explosive content and some are very small.

I want to talk about what happened in the Euros and how let down I felt as the Policing Minister, but our officers did brilliantly in liaising with the French, who police events slightly differently. I will talk about the preventive measures that we took and about what is happening here in the United Kingdom, without dwelling too much on individual sad events around the country.

In the run-up to the Euros, we had extensive liaison with the excellent football police unit, which I have the honour of funding from my budget, and with the French authorities and other countries in Europe to try to prevent what we saw outside the grounds and, sadly, inside the grounds. We gave the French whatever assistance they asked for and proactively offered more, particularly with spotters. We tend to know some of the characters that were involved. In fact, we prevented an awful lot of them from travelling: 99% of the passports that were requested to be submitted under the banning orders were submitted, so those people could not travel. Subsequently, we arrested or stopped at the borders a further 35 individuals who were attempting to travel. They were known to us and should have submitted their passports. Although that was a significant success, we saw on our TV screens some serious disorder.

In Marseille, we had officers helping the French authorities. We traditionally police football matches by keeping the fans apart, but the French police did not make much of an attempt to do that. They police in a different way because they are armed and do not like getting too close up when they have their weapons with them in case things start to happen. They police very differently. We would have been much closer to the fans.

We said to the French in no uncertain terms, “If you arrest and prosecute them, we will keep them out,” and to a large extent that has been done. We continued to send officers to games, including the Wales and Northern Ireland games as well.

It is enormously disappointing that the vast majority of football fans who went to support their country, no matter which part of the United Kingdom they came from, were tarnished by a small minority of people
whose behaviour ended up in the most abhorrent violence we have seen for many years. There is no condemning that, as my hon. Friend the Member for Dartford said, and we must come down on them with the full force of the law. Those who were arrested do not have to be prosecuted for a banning order to be imposed. I will write to the hon. Member for Stirling (Steven Paterson) with full details to clarify the position.

Gareth Johnson: Will the Minister consider one step further than the banning orders? Will he consider prosecutions in the UK for offences connected to football hooliganism that are committed abroad? There are offences already that are tried in this country when they are committed abroad. Will he consider bringing football hooliganism offences within the scope of current legislation?

Mike Penning: I have spoken to my hon. Friend outside the debate and I will look at that matter. It opens up a really difficult area of other types of prosecution. At the moment, we prosecute people for committing very serious offences abroad. I will look into it, but it might have consequences way beyond what we are trying to do.

I noticed that the shadow Minister—for today, but I hope she gets the job full-time, as we get on so well—alluded in her speech to young people. However, the video footage and the banning orders that are in place suggest that the people in question tend not to be young. Sadly, many of them are my age. They came up through the ranks of a violent, gang-type culture many years ago. Inside the grounds, UEFA has a policy that the police do not carry out segregation. It is a UEFA rule, and it is necessary to apply to move from that. I think that there was a request for that for the subsequent games, but certainly after the Russia-England game. Hon. Members will have noticed that there were very few police in the ground, and the French police were criticised for that, but it is a UEFA rule. It is completely different here in the UK, where we use stewarding extensively to keep people apart, as well as outside the game, and we also use traffic management orders; but in the ground, police are available to carry out segregation, and they often do so.

Let us not say that it is all doom and gloom. More than a third of a million people go to watch premierhip games every weekend, and football is still a safe environment where people can go to support their clubs, whether at a Spurs-Arsenal match or a Celtic-Rangers match, which will happen this year for the first time in many years—or Hemel Hempstead Town versus St. Albans, which is where I end up most weekends. We are not in the territory of the way things were, and we are not going to get back there. We will use the full force of the law to make sure that people can go with their young children to enjoy a football game in the same way as many of us enjoy a rugby or basketball match, or a match of any other type.

To return to the point about youth, we must of course educate young people. I will not make a spending commitment, such as the shadow Minister has possibly just made on behalf of Her Majesty’s Opposition, but I understand where she is coming from. When I went, two or three months ago, to the Spurs-Arsenal game at White Hart Lane, I was with the Metropolitan police throughout the game and for nearly two hours before and well over two hours afterwards. It was obvious while we were outside, waiting for the Arsenal fans to be escorted, with a significant police escort, towards the ground, that there were people—predominantly middle-aged men, but not only men—who did not have tickets and had no intention of going to the football match. They were waiting at a corner close to the ground to antagonise the fans and create a serious situation. There was disorder; but those people were not kids. They were grown men and some women who should know better. Arrests were made. There were horses, and the mounted police did a fantastic job of keeping apart people who frankly wanted a punch-up. Although the vast majority of what goes on is perfectly okay, there are still difficult situations, as we saw in the cup final.

The point has been made that the police can do more. We will help them in doing that, and perhaps even, if we need to, give them more powers; but actually, the football fans need to say that enough is enough. There is so much money in football today; the clubs themselves have a responsibility as well. There is an issue—it comes up with the football police unit—about getting clubs to pay the police bills after matches, although the sums involved would probably be just loose change to one of the forwards or defenders who let my country down by the way they played in the Euros. It is a question of trying to get clubs to pay their bills and to take responsibility. I have had numerous meetings in the past couple of months with the premiership to say, “Come around the table and try to talk to us about this.” Initially they say, “Of course you want more money from us”—but actually it is their event that we are policing. It is sometimes enormously difficult to get the limited amount of money from them that they are responsible for paying back.

I want to talk about where things are going. There is some evidence—I have asked the unit to come back to me on this—that violence is to some extent moving down to the lower leagues, where not many police are expected to be around and there is not as much stewarding. There is always stewarding, but the question is whether there will be enough stewards and whether they are professionally trained. Violence happens because people think they can get away with it. The people responsible are not fans. They are just out to cause other people harm, and they get some kind of kick from that. As soon as the relevant information becomes available I will share it. It is important to look not just at the top—England fans abroad—but at what appears to be happening much further down.

We will do all we can to make sure that people can go abroad. We will, in particular, support other countries when they have events. The Secretary of State for Culture, Media and Sport spoke to the Russian Sports Minister and has offered help in the context of the World cup, as we go forward with that. UEFA and FIFA need to take a careful look at how policing is carried out in their grounds; they do not have to wait for an event. Different countries police differently, but it is crucial that we come down with all the force of the law on those who create disturbances, ruin football matches for everyone else and assault people. At the same time, everyone in the football family needs to take responsibility.

Gavin Newlands: I made a point in my speech about governing bodies perhaps punishing the teams for fans’ behaviour. Does the Minister agree that for the forthcoming
Mike Penning: There is much to consider in what the hon. Gentleman says. This is not the debate or place at which to make such a commitment, although I have never sat on a fence in my life, on any issue. The principle of those in the football family taking responsibility for their club and their country is crucial, whether in Scotland, Northern Ireland, Wales or England.

This has been a useful debate. We do not want to treat all football fans as bad people, but they must put their hands up and say, “Enough is enough; we want to go to football in peace.” In our case, together with my Scottish friends, we may also need to enjoy losing occasionally, although we will cheer Wales on. I wish them every success.

3.28 pm

Gareth Johnson: We would all agree that football, at its best, unites communities, people and countries. It can be thrilling and is undoubtedly entertaining, and it should not be undermined by the selfish actions of relatively few people. We have an opportunity now, and should do all that we can to prevent a repetition in Russia of the scenes that happened in France, should the home nations qualify, as we all hope they will. The Minister and I agree, as I am sure the rest of the House does, that we want the police to do their work, but that they can do only so much. Ultimately, it will be down to football fans themselves to help to change the culture to bring an end to the problems.

Question put and agreed to.

Resolved,

That this House has considered football hooliganism.

3.29 pm

Sitting suspended.

Automatic Registration: UK Elections

[Mr George Howarth in the Chair]


4.30 pm

Owen Thompson (Midlothian) (SNP): I beg to move, That this House has considered automatic registration in UK elections.

This issue came to my attention during the run-up to the EU referendum, when an appalling situation left many voters unregistered when the Government’s registration website failed. However, that is not the only source of my frustration. The introduction of individual electoral registration saw hundreds of thousands of people in Scotland wiped off the electoral register without their knowledge. The UK Government failed to properly engage with the public to explain the transition, which led to the EU referendum voter registration deadline becoming a total shambles.

In light of that chaos and the consequences of the transition to IER, the UK Government should consider introducing automatic registration for voters. I intend to show not only that automatic registration is a worthwhile consideration with many benefits, but that it is supported by key organisations from across the country. The system is widely used in various parts of the world; some of the best examples come from our very good friends in Europe and beyond, and they are far richer for it.

Following our most recent referendum, the EU and Europe might be a useful starting point. Although this debate is not about the result as such, one point is perhaps bittersweet in its relevance. If the EU referendum has taught us anything, it is that people’s votes matter. Voting and engaging in elections and referendums can have radical consequences that alter the policies and direction of Governments both at home and abroad. There are many lessons to be learned from the recent referendum, most notably that we should be careful what we vote for.

There are many reasons for people to be disappointed, and not just by the vote to leave the EU. For election geeks like me, the demographics make for interesting reading. It was clear throughout the referendum campaign that different societal groups had different opinions, with a particularly notable variation in voting intentions between different age groups. It was in a similar vein to the Scottish independence referendum—the 16 to 24-year-old bracket, at least on average, is pro-European and pro-independence. Voters in older age groups are more likely to be pro-Brexit and pro-UK, which has led to disappointment and frustration among young people, at least for the 26% who turned up to vote in the EU referendum.

It is disappointing that young people did not turn out in the EU referendum, with many being bombarded with negative messages and others feeling disfranchised by out-of-touch politicians. For many, registering to vote was a barrier in itself. There will be many vigorous debates about engaging young people to vote, and organisations such as the National Union of Students
have been pursuing the issue with a view to understanding it. The NUS is campaigning heavily to ensure that its members are informed of why they should vote.

The NUS, among many others organisations, has led a number of fantastic campaigns to encourage young people to vote. However, according to Ipsos MORI, only 33% of 18 to 24-year-olds turned out at the 2015 general election, compared with 78% of over-65s. It is unacceptable and demonstrates the barriers that thousands of young people and students not turning out can be attributed to their mobile lifestyles, with many moving home every year. The challenges for transient young people in particular present a strong case for voter registration to be integrated into the university and college academic enrolment process. Such a system was successfully developed by Sheffield University for the 2015 general election and has been used by a number of other institutions. The model could easily be further developed and rolled out across other institutions.

Additionally, the change to individual electoral registration has had dramatic effects on young people’s ability to vote. Groups such as Bite the Ballot raised concern about that at the time, rightly warning that there would be a decline in voter registration among young people. The change to the system led to a reduction of nearly 190,000 14 to 17-year-olds who will reach voting age during the time in which the register is used. That equates to a 40% reduction in the number of young people registered to vote. Given the implications of referendums, it is critical that everyone’s say is heard, particularly that of young people. They are the future of our countries, and we must make sure they have a voice.

It is quite a conundrum that Government policies often affect the people who are least likely to vote. Although a number of organisations are leading the charge to encourage engagement, we as parliamentarians must take the lead and be bold where we need to be.

There is a similar story to tell about other marginalised groups. Women continue to turn out to vote in lesser numbers than men. Between 1992 and 2010, there was an 18% shortfall of women voters. The inclusion of women in politics has been proven to enhance the turnout of women in general—including, in constituencies where women are elected as MPs, the average turnout of women tends to be about 4% higher than the average turnout of men.

That shows the importance of encouraging women to participate in politics and become engaged with the political system, which begins with women being registered to vote. We need only look outside today to see just how much women care about politics. Political decisions can often affect the people who are least likely to vote. They will be incredibly difficult for voters to feel enthusiastic about politics again, having endured a remain campaign characterised by “Project Fear” scaremongering and a Leave campaign that used xenophobic rhetoric, such as the UK Independence party’s despicable “Breaking Point” advert.

In Scotland, the SNP ran a measured and positive campaign on the EU and focused on encouraging turnout. I am incredibly proud of my colleagues and of my own constituency of Midlothian, which overwhelmingly voted to remain in the EU; I hope that it will indeed do so.

In short, there is much to learn from Scotland’s politics. With registration at 98% and an 85% turnout in the independence referendum, it is fair to assume that higher registration and higher turnout have at least some correlation. Our friends in Europe and beyond seem to be on the same page. Most European countries have ensured that their citizens are automatically able to vote using various forms of automatic registration. Other countries have been able to achieve far higher and
more democratic levels of participation through such schemes. They remove a major hurdle in the election process and make elections as accessible as possible.

Alison Thewliss (Glasgow Central) (SNP): My hon. Friend makes an excellent case for improved voter registration. Does he agree that automatic registration would reduce the number of errors in the registration process, such as when multiple people are registered at a house but only one voter actually still lives there?

Owen Thompson: I absolutely agree with my hon. Friend. We could see many benefits, and the system could be greatly simplified if we introduced automatic voter registration.

Countries such as France, Sweden, Australia, Greece, Austria, Brazil and Uruguay, to name but a few, ensure that as many of their citizens as possible can exercise their free democratic right to vote without barriers. In the UK, many people think that they are already on the register because they pay their council tax and expect those running elections to know about them, but at the last election two thirds of polling stations turned voters away. People thought they were on the register, but they were not.

The last-minute rush for registration puts huge strain on devolved council registration offices, of which there are about 400 throughout the UK. The database is so fragmented that even the Electoral Commission does not know the extent of the problem. At nearly every election we see the same thing: a huge rush to register to vote in the day or two before the deadline. The day before the EU referendum deadline, 186,000 people applied to register to vote online, and at least 27,000 we still using the Government website when it crashed. On an ordinary day, the figure would have been about 10,000. Such an erratic and outdated approach to the right to vote is unique in the developed world.

If people have a passport, are registered for council tax and already have a national insurance number, surely there is enough information about them in the system to allow them to be automatically entered in a voter database. We do not have to register to pay tax, so why should we have to register to vote? Many others agree. Earlier this year, the all-party group on democratic participation, of which I am a co-convenor, published the “Missing Millions” report, which presented tried and tested solutions that would keep the register up to date all year round.

The Political and Constitutional Reform Committee in the previous Parliament also agreed. On 14 November 2014, it published an interim report on voter engagement and invited the public to respond to several draft conclusions and recommendations. Following an extensive consultation, with more than 5,000 responses received, the Committee published a follow-up report based on the views of the public. That report recommended that the Government consider improvements to electoral registration, including by making registration automatic, prompting people to register to vote when they access other public services, and registering young people in schools, colleges and universities. The report also recommended that the Government introduce plans to target the groups that are currently least likely to be registered to vote, and that changes to electoral management be looked into and piloted, such as online voting, allowing people to register closer to or on election day, and holding elections at the weekend.

I note that the hon. Member for Mitcham and Morden (Siobhain McDonagh) agrees with me. I was disappointed that her ten-minute rule Bill on automatic electoral registration did not go further. I share her frustration, having also had a ten-minute rule Bill that failed to proceed further. I know that she and others are continuing to work on this issue to find out what other steps can be taken.

Whenever automatic registration has been proposed previously, the message from the Government has consistently been that it is a person’s own responsibility to register to vote, but now that we have seen catalogues of failures of the kind we saw in the run-up to a vote that will change lives forever, it is clear that we must ensure that such failures can never happen again. We must have a robust system, and we must break down barriers to voter registration. The Government must use common sense and take heed not just of my voice but those of the many expert organisations and groups that are calling for change—I hear that we are now listening to experts again.

Automatic registration would ensure that the enrolment system was more efficient and effective, while making voting easier for people and more democratic. It would remove the barriers faced by minority groups and others who are less likely to engage in the enrolment process, and it would mean that we could reach more old, young, disabled and disadvantaged people, regardless of their gender, background or race. That would promote inclusive and forward-thinking democracy for all. This is not about taking away from politicians the responsibility to engage young people. Voting is a fundamental right, and automatic voter registration would enable many disfranchised people from across our society to participate in a system that needs their voice.

Voting is a fundamental right, and automatic voter registration would enable so many disfranchised people from across our society to participate in a system that needs their voice.

4.45 pm

Patrick Grady (Glasgow North) (SNP): It is an unexpected pleasure to serve under your chairmanship quite so soon, Mr Howarth, but I see that the hon. Member for Mitcham and Morden (Siobhain McDonagh) also has speaking notes. I congratulate my hon. Friend the Member for Midlothian (Owen Thompson) on securing the debate. I will offer a few reflections that are similar to his, and emphasise some points he made.

The debate is taking place in a political scenario where everything has “changed, changed utterly”—words written by W.B. Yeats 100 years ago about a slightly different kind of political upheaval, but political upheaval none the less. That is what we are undergoing here. The debate comes at the end of, unfortunately, a shambles of a referendum process.

The Government had the opportunity throughout the passage of the European Union Referendum Bill to take on board constructive proposals made by the Scottish National party and others, not least to extend to the franchise to 16 and 17-year-olds and to put in place a four-nation lock so that no part of the UK would be
taken out of the EU against its will. Now we face the prospect of Scotland, Northern Ireland, Gibraltar and London being taken out of the EU against their will.

The refusal to give ground when the Bill was passing through Parliament seemed to carry on throughout the dreadfully negative campaign—on both sides—south of the border, despite the best efforts of those of us in Scotland to raise the tone and raise the positive aspects. Perhaps that culminated in the website crash on 7 June, which led to this debate. There are lessons to be learnt from the referendum campaign in the round, but the difficulties that were faced by people trying to register to vote and to have their say gives us the opportunity to reflect on that particular bourach.

I will look in a little bit more detail at the problems with individual electoral registration and the case for automatic registration, and I will perhaps give some brief reflections on how that fits in with wider electoral reform to improve turnout and voter engagement.

Individual election is not necessarily a bad thing in itself. In fact, we could probably argue that a system of automatic registration is just an automated or enhanced version of that. We probably all agree that that is preferable to the household registration where everyone in a household is vouched for by one elector under the previous canvass system. The idea of individuals being registered is not necessarily at stake: it is the process by which they end up on the register.

As my hon. Friend the Member for Midlothian clearly demonstrated, the roll-out of the process has been botched massively by the Government, leading to significant confusion for many voters in the Scottish and European referendums about whether they were registered in the first place. The Minister admitted, during the emergency legislation and the statements after the website crash, that a lot of the registrations that came in at the last minute were duplicates because people were already on the electoral register but feared somehow that they were not because of the confusion and misunderstanding. That was undoubtedly compounded by the decision to bring forward the transition deadline to December 2015.

Of course, that may well have had an effect—

[[Interruption.]] The Minister is asking me how. Well, not giving people enough time to consider and double check their registration status might have had the effect of making it more difficult for poorer and younger people to vote.

The Smith Institute reckons that up to 10 million people—perhaps 2.5 million dropping off the register and 7.5 million absent from any register at all—are not on the electoral register. That might have seemed like a good idea when the Conservative Government were worried about the mayoral and local government elections, but was perhaps less of a good idea when we look at the Brexit result, especially given that younger people, who will have to live with the decision much longer than any of us here, voted overwhelmingly to remain.

The Government really should have seen the website crash coming. As my hon. Friend mentioned, we had exactly the same situation in Scotland—it was just in a slightly more analogue form. On the day that voter registration closed before the European referendum, there were queues outside local authority registration offices until midnight. In fact, there was a wonderful party atmosphere as people wanted to ensure that they could have their say in that great exercise in democracy. Sadly, that once again stands in contrast with the way in which things were handled south of the border.

That brings us on to the case for auto-registration, which means a method that is simple and consistent. That does not conflict with the idea that people have the right not to vote—if of course people have that right, and they could easily opt out if they were automatically registered—but it provides a level playing field at the one moment when we are all genuinely equal: when we cast our single ballot in the ballot box. That is a great social leveller, and a level playing field should therefore be provided for registration.

My hon. Friend looked at a whole range of different pilots and options. In preparation for the debate I read about motor voting in Oregon—when someone applies for a driving licence, they register to vote. The point is well made that the vast numbers of people who are on the council tax register think that they are therefore on the register to vote, and it stands to reason that there should be no taxation without representation. That is another possibility. Of course, in Scotland in days gone by people took themselves off the electoral register in order to avoid the unjust and punitive poll tax implemented by Thatcher and her Government—another democratic deficit that Scotland had to live with for so long.

Alison Thewliss: I am sure my hon. Friend shared my experience during the independence referendum that people were afraid to go and register because they thought that that would catch up with them and tax would be found from them. That did dissuade a lot of people. We need to look at the reasons why people are declining to register as well.

Patrick Grady: That is a well-made point. Of course, the Scottish Government moved to reassure people that they would not be hounded for their poll tax because they were registering to vote in the Scottish independence referendum.

The case for auto-registration is well made. It must be placed in the context of wider and further electoral reform and the need to find a range of ways that can improve voter turnout and engagement, and younger people’s engagement in particular. Voting early leads to voting often, which has been borne out in the Scottish Parliament and the Scottish experience now that the franchise has been extended to 16 and 17-year-olds. Of course, 16-year-olds who voted in the Scottish election in May were denied a vote in the European referendum, but they will have another vote in a year’s time in the Scottish local authority elections. They might be 18 by the time of the next general election—who knows?

That also relates to the introduction of proportional representation, especially as it is clear that we have a five-party—at least—system here in the Houses of Parliament. We have the pro-Brexit and anti-Brexit Conservatives, the pro-Corbyn and anti-Corbyn Labour people and then the SNP as a voice of consistency, unity and leadership. We are possibly bigger than some of those groups, so we may or may not be the official Government or Opposition by the end of the week.
On the dates of elections, and the referendum in particular, one of the experiences of the Scottish independence referendum was that, because it took place in the autumn, we had the entire, glorious summer of 2014—admittedly rare in terms of the weather—with long days and good weather when people could really get out on to the streets and knock on the doors. That is something we ought to consider both north and south of the border. Rather than elections in May, which means that campaigns take place in damp, cold winter months, an autumn election cycle could help increase participation. Those are my reflections. I am trying to stick as closely as possible to voter auto-registration and the time available, so I will leave my remarks at that.

4.54 pm

Siobhain McDonagh (Mitcham and Morden) (Lab): I congratulate the hon. Member for Midlothian (Owen Thompson) on securing this important debate. I apologise to you, Mr Howarth, and to other Members in the Chamber for having to leave early to get to a constituency event, but I wanted to make a contribution to this debate.

It is our job in this House to ensure that the citizens we represent can truly exercise their democratic rights, but British citizens in this country are being marginalised and excluded from the democratic process. The problem of electoral registration is less getting people to sign up to individual elections and more maintaining their registration. I have spoken in the House before about the 100,000 Londoners who disappeared off the electoral register just months before the mayoral election. Boroughs with the biggest falls included Redbridge, which witnessed a staggering 9% drop; Kensington and Chelsea, with an 8% drop; and Hackney, which recorded a 7% drop.

The national picture is just as stark. The parliamentary register that was used in the EU referendum has seen the loss of 1.4 million names since December 2013. To put that figure into context, just 1.3 million more voters voted for Brexit than remain. In other words, those who fell off the register in the past two and a half years could have swayed the decision on the EU referendum.

There is a stark variance in who is signed up on our register. Pensioners in the shires who own their own home have a 90% chance of being on the electoral register, but a young man from an ethnic minority background in private rented accommodation in a city has a less than 10% chance of being on the register. The fact that people from ethnic minorities are far less likely to be registered to exercise their democratic rights undermines the Government’s commitment.

When it comes to electoral registration, the picture is bleak across the country. Liverpool has seen a drop in its electoral register of 14,000. Birmingham has seen a drop of 17,000, and the drop in the London Borough of Lewisham was 6,000. Those are all areas that have had an increase in population. The situation is even worse in areas where the population is transient, such as university towns. Canterbury has seen a huge 13% drop in those registered to vote. Cambridge has seen a drop of 11%, meaning its electorate is now smaller than it was in 2011.

Let us look at the outcome of the EU referendum. We know that young people overwhelmingly voted to remain. Remain voters made up 73% of 18 to 24-year-old voters and 62% of 25 to 34-year-old voters. It is clear that in areas with a high proportion of younger residents, turnout tended to be lower. We do not have any cast-iron figures, but we know that turnout among the youngest voters was around 40%. Among the over-65s, turnout was well over 80%. That all amounts to the effective disfranchisement of that younger group of voters. If the Government are serious about combating social exclusion, they urgently need to review that dire situation.

Being on the electoral register is the closest thing to having a civic contract. If someone is not on it, they cannot participate in the democratic process. Automatic electoral registration provides the opportunity to both reduce costs and improve administration, cutting down on bureaucracy and enabling everyone to exercise their right to enfranchisement. It is simple common sense, proposing a cheaper, simpler and more effective model. It places a responsibility on the state to do everything in its power to ensure that the electoral database is full and complete. It imposes a duty on the Government and public bodies to work together.

Automatic electoral registration proposes to make the system truly convenient for the citizen by integrating both national and local data sets, meaning that an individual’s address details would be automatically updated according to trusted data sets. The trusted data sets would collate information at each point that a citizen interacts with the state, whether that is when they pay a tax, receive a benefit, use the NHS, claim a pension or apply for a driving licence. The walls between those data sets used to be sacrosanct, but they are falling away more and more as the Government emphasise security and anti-fraud measures.

These reforms would vastly improve registration and have been tested elsewhere. A very similar model operates in Australia with huge success. For instance, the state of Victoria has a population of 3.5 million and has 95% accuracy in its registration process. It does that at extremely low cost, employing just five members of staff who maintain the rolling register.

Rolling out this reform in the UK is timely for so many reasons. Greater Manchester has already submitted to the Cabinet Office its plans to pioneer the system of automatic electoral registration. It also has proposals for a pilot scheme. I sincerely hope that the Government support the plans and will introduce the primary legislation on data sharing necessary to ensure that the pilot can go ahead.

Voter registration should not be the responsibility of charities or NGOs, such as Bite the Ballot, despite their excellent work. It should be down to the state to do all it can and to ensure that everyone, especially the most marginalised, can access their democratic rights. The issue should be non-partisan. It is in all our interests to get more people signed up. Then we can all get on with our job, as representatives of political parties, to enthuse voters and to persuade them that we are worthy of their vote.

5 pm

Tommy Sheppard (Edinburgh East) (SNP): May I start by remarking on the fact that the Government Benches appear to be particularly denuded this afternoon? I hope that is because Government Members support the proposition under discussion. I ask the Minister to
reflect on the fact that, so far, no one has spoken other than to support the principle of automatic voter registration, and that not a single Member of the House is so exercised to the contrary as to turn up—that alone might make him consider that this is an idea whose time has come. I hope that we will get a positive response from him.

I, too, congratulate my hon. Friend the Member for Midlothian (Owen Thompson) on bringing the debate to the Chamber today. I endorse and support pretty much everything he said in moving the motion.

I want to highlight a couple of aspects of the problem, the first of which is its scale. In 2014, the Electoral Commission estimated that as many as 7.5 million people who are entitled to vote might not be on the electoral register. To get some more up-to-date figures in preparation for the debate, I asked the House of Commons Library for a list by constituency of the estimated over-18 adult population compared with the number of people on the register. I have the figures with me, if anyone is interested, and they show that the difference between the number of over-18s in the population and the number on the register is just over 6 million. That is not a direct comparison, because many people on the register will be double-registered. The largest cohort of those will be students, but there will also be people who have moved house and so on, and some over-18s are not entitled to vote anyway.

Those figures indicate that we have a considerable problem, and we have it in all parts of the country. In my constituency, which includes the biggest part of the centre of Edinburgh, with its big transient population, I have 23,000 more over-18 adults than are on the electoral register. That is a staggering number of people. Even in the Minister’s constituency of Weston-super-Mare, the figure is more than 10,000.

That is a problem for three main reasons. First, it is a democratic outrage. We cannot sit here and be content with the situation if our fellow citizens are not even eligible to vote on that scale. As the hon. Member for Mitcham and Morden (Siobhain McDonagh) pointed out, not everyone is treated equally. Those suffering deprivation or oppression of one kind or another are less likely to be on the register than people who have a reasonably comfortable life, are literate and are settled in their situation. The people who face multiple indicators of deprivation are the least likely to be on the register. We have a somewhat ironic situation: the more awful someone’s life is and the more problems they face, the less able they are to do anything about it through the democratic process. We cannot possibly let that lie for much longer.

Secondly, apart from the democratic argument, the situation is an administrative nightmare. That was epitomised by what happened in the run-up to the registration deadline for the European Union referendum. The computer crashed because it could not cope with the demand. Why do we create a situation in which there has to be a rush before a deadline, mostly comprised of people checking whether they are on the register in the first place? It does not have to be done that way. If we had a process of continual automatic registration of the electorate, the problem would not arise.

The other problem, which has been remarked upon, is that a lot of people think they are on the register when they are not. That is one of the contributing factors to a general disillusionment and alienation with our democratic system, which we cannot allow to continue. For all those reasons, I very much support the campaign for automatic voter registration, and I hope the Minister will say something positive today.

The all-party group’s report has been referred to, and it was signed off by a Member from the Minister’s own party, the hon. Member for Norwich North (Chloe Smith). It made 25 recommendations, some of them incredibly sensible. Which of them does the Minister think are good ideas that could be implemented? I have a copy of the report here. The final recommendation is that, because of all that has come before, we should move to a system of automatic voter registration. I think we have to do that.

I want to try to anticipate some of the arguments against automatic voter registration. The first would be, “Perhaps there is a data collection problem, and data that have been collected for one reason cannot be used for another.” Well, the Government should bring forward the legislative changes required to enable that use. Provided that we specify at the point of collection that the information will be used to allow people the right to vote, I do not see any particular problem, and that could be done almost instantaneously given that so many transactions happen online. It could be done within weeks. We do not have to wait years for it to happen.

The second argument that people will probably make is, “The computer systems do not talk to each other. We will have to get a new computer system and that will take a lot of time and cost a lot of money.” Don’t blame the technology—the computer systems do not have to talk to each other. All that is required is that human beings involved in the process of compiling the electoral register can use the other computer systems to put together one that deals with electoral registration.

The third problem to be raised might be, “There may be a concern about people being put on the register against their will. People should have the right to not be registered.” Of course they should, so the Government could automatically register them and write to them saying that that is what has been done. At that point they would have the chance to opt out.

The final problem that is raised is, “Perhaps there is a problem with security. How do we know that the person who paid this bill should be put on the electoral register?” That is a ludicrous argument. If someone applies for and gets a British passport, which is one of the main credentials a person needs to be able to take part in democracy, surely it should automatically follow that they get put on the electoral register as well. If someone buys a new house, it is a legal obligation not only to register the property but to register ownership of the property. Surely we should be able to put that person on the electoral register automatically.

Will the Minister say which of the 25 recommendations in the all-party group’s report can be implemented now and which he would like to look at over a bit more time? Will he come forward with proposals to allow automatic voter registration to happen? Bring us solutions, rather than problems.
Louise Haigh (Sheffield, Heeley) (Lab): It is a pleasure to serve under your chairmanship, Mr Howarth. I add my congratulations to the hon. Member for Midlothian (Owen Thompson) on securing the debate, not least because, to my relief, his is a constituency that I can pronounce. I am grateful for the opportunity to respond to the debate and be part of moving the issue forward, as progress has been far too slow.

As has been said, this debate is incredibly timely because of the issues caused by the last-minute surge in voter registrations in the run-up to the referendum, which were discussed in the House earlier this month, and because of the general confusion about the entire registration process. Significant numbers of people simply do not know whether they are on the electoral register, whether they have to register every time or why they were not on the register for this important election. Many people just expect to be on the electoral register because they pay their council tax, because they interact with Government and because the Government know about them.

The debate is relevant today because, despite the recent surge, registration rates are still desperately low. We know the statistics from the excellent work that my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) did in bringing her ten-minute rule Bill before the House earlier this year. She mentioned the stark difference between pensioners in the shires and young men from ethnic minorities. I understand that a forthcoming study from the Electoral Commission will reveal that many millions of people are still missing from the electoral register.

I know the Minister will agree that we must do everything we can to encourage as many people as humanly possible to be on the register. That is why it is so important and so right to extend the deadline for registration in the run-up to the referendum, although perhaps some of us might regret that now. It is therefore perplexing that the Government have missed so many opportunities to improve registration rates. They were far too late to encourage the registration of students in university towns, despite having an excellent model on offer from Sheffield University. As far as I am aware, no action has been taken to deliver further pilots of online voting, as recommended by the Speaker’s Commission on Digital Democracy. We have had only a half-hearted commitment to reviewing e-balloting for trade unions, which would undoubtedly improve our industrial democracy. The Government are still proposing to use a completely out-of-date electoral register for the proposed boundary review.

I hope we can make significant progress with automatic voter registration. Significant work has already been done by organisations such as Bite the Ballot, which produced an excellent report, co-written by Oliver Sidorchuk and Dr Toby James, on the “missing millions” who have been mentioned. The Electoral Commission itself has put forward three credible options for automatic registration: automatically registering 16 and 17-year-olds, updating home movers’ details and confirmation matching. I state no preference for any of those methods today, but I urge the Government to explore them all and establish which will most significantly increase registrations while guarding against electoral fraud as far as possible.

As we know, automatic registration would bring many significant benefits. The register would be more complete, obviously: we would not see the peaks and troughs of registration that we currently have, which are a problem not only for elections but for statistical purposes and for exercises such as boundary reviews. There would be less confusion about whether people are on the register; the system would be significantly cheaper than the current one, as demonstrated by the example of Victoria, which has been mentioned; it would be more convenient for citizens; it would almost certainly be more up-to-date; and it would provide high-quality data that could be used by and shared with other agencies.

On that last point, devolution provides an opportunity to drive data sharing across the public sector and to deliver experimentation and innovation in our public services. It is right to devolve power down to local authorities so that they can take decisions as close as possible to where they are delivering services. We should seize the opportunity to finally break down some of the barriers between Departments and agencies, to ensure that whenever someone interacts with Government they are viewed as a whole person, not just dealt with in one Department’s silo. Automatic registration could play a major role in that. I completely support the comments of the hon. Member for Edinburgh East (Tommy Sheppard), and I press the Government to bring forward new data-sharing protocols.

There are obviously challenges, not least electoral fraud and the need for a clear opt-out from the open register, but they can be worked through by learning from Administrations who already operate such systems successfully. The Law Commission has published a thorough interim report on electoral law and plans to publish a draft Bill for Parliament to consider next year. Will the Minister update us on progress on that, and on the Government’s response to the Law Commission’s report?

Will the Minister also update us on the progress of the Greater Manchester trial? It is absolutely right that devolved authorities have the control and power that they need to drive registration, and I very much hope the Sheffield city region will be given the option to trial such a scheme. Will the Minister confirm what conversations or offers have been made to other devolved areas? Will he consider requiring local authorities to put information about polling stations online? It is frankly ridiculous that that information is not digitally available to voters on polling day.

The Law Commission has said that current electoral law is an “unworkable mass” and that it is “complex, voluminous and fragmented”. Devolution and the fallout from the referendum present a prime opportunity to review that situation and consider options such as automatic registration. I hope the Minister will grasp that opportunity with both hands.

The vote last Thursday revealed the deep dissatisfaction in this country with the political establishment and the status quo. Despite politicians’ best attempts to be as accessible and as grounded as possible, we are seen as exactly the opposite. We are viewed variously as corrupt, immoral and sometimes merely irrelevant. Tragically, that general attitude culminated in the brutal murder of one of our finest colleagues less than a fortnight ago. We in this House have a duty to fix that, to improve the climate in which we debate ideas and to reach out to
those alienated by our political debate. The people who are excluded from the process as it currently stands are exactly those we need to prioritise and reach out to. Fundamental electoral reform is now an immediate necessity, and automatic voter registration must be a part of it.

5.14 pm

The Parliamentary Secretary, Cabinet Office (John Penrose): It is a pleasure to have you looking after us this afternoon and to serve under your sure guidance, Mr Howarth. I congratulate the hon. Member for Midlothian (Owen Thompson) on bringing forward this extremely important issue. It is tempting in such moments, when the entire world is running around with its hair on fire, worrying about all sorts of other admittedly incredibly urgent, big problems, to forget that there are some important critical pieces of democratic plumbing that need to be attended to, no matter what else is going on. I congratulate the hon. Gentleman on not losing sight of that essential, fundamental truth. I will try to make sure I leave him with a couple of minutes at the end to respond or sum up if he wishes.

A number of important points have been made. I have always promised myself that if I ever start quoting my own speeches, I will know that it is time to leave. I promise not to do that, but hon. Members might want to have a look at a speech I made at Policy Exchange about a year ago. What I said was very much along the lines of some of the criticisms that have been levelled at the voter registration system. What we have is a system that is, to put it charitably, in transition. Some good work has been done. The system of online registration is new and, by any account, an awful lot better than what went before, even though it was so popular that it fell over rather embarrassingly just before the registration deadline. There have been changes, but we are still battling with the problem that a vast proportion of our registration process is designed for an analogue age. It is based on an old-fashioned approach that is paper-based and process-driven, rather than focused on outcomes and anything that is remotely digital. Clearly, as we have heard from right across the political spectrum, a huge amount needs to be done to update it.

I am delighted that the hon. Member for Edinburgh East (Tommy Sheppard), who speaks for the Scottish National party, pointed out that there is clearly a substantial cross-party backing for progress here. He is absolutely right. As a number of people have said, for this to work well, it will be best of all if it can be done on a cross-party, non-partisan basis. Voter registration is something that we all, as democrats, ought to be in favour of and ought to try to push forward. It works better, in combating voter disillusionsment, which all hon. Members mentioned, if people can see that not just one party or the other is pushing this; otherwise, they will assume that that one party has a particular axe to grind. It is far more powerful if everybody says the same thing and sings from the same hymn sheet. I am particularly pleased that we are all on the same page.

I would like to talk a little about what we are already doing. I am delighted to tell the hon. Member for Midlothian that I think we are heading in a very similar direction. There are some definitional questions and important points of detail that we need to bottom out, but we are heading to a very similar destination. Last month, I introduced a statutory instrument in this place that began the very early steps in that process. It contained a couple of very modest proposals, which are actually quite significant, to begin to digitise our process. One of them was simply to make it possible to use emails, rather than having to send a snail-mail, old-fashioned paper letter, when confirming whether someone is being registered. That might sound like a really basic change, but it required a legal change in this place. We had to pilot an SI, which contained a number of other measures, to take it through. It will make a very significant alteration to the speed, efficiency and cost-effectiveness of registration. I hope that it gives everybody here an idea of where we are starting from and how much further we have to travel.

I can also confirm to the hon. Gentleman that a further SI is due to come to this place on Monday that will take us a couple more steps down the road. I am not going to over-claim on this, but it is moving in the direction in which everybody has said they want to move. On Monday, we will talk about changes that will be piloted, to begin with, in three local authorities: Ryedale, Birmingham and South Lakeland. Following up on the idea that localism and devolution are important sources of ideas, many of these ideas have been proposed by local authority electoral registration officers, who are on the front line and understand which bits of the process still work and which are, frankly, a waste of time and cause them to chew their arms off in frustration because they are so slow and inefficient. They are the ones coming up with many of the most creative and practical proposals. We are encouraging them to submit ideas and are trying to take those forward. We will look at the issue in more detail in Monday’s statutory instrument debate. They are talking about changing from a household inquiry form arriving on the doorstep to check who should be registered to vote to something called a household notification letter that says, “We think the following people are in this place and should be registered; please tell us if not.” That change in the process would be far more efficient, would not require the same degree of response and could be done much more electronically.

In two of the three local authority pilot areas, we will be matching data using local data sources, so that we can focus effort and not require local officers to knock on doors when they already know who lives behind those doors, which is a massive waste of effort and resources. Those resources could be better targeted on places where we do not know who lives there. If we know that somebody has been living somewhere for the past 20 years, there is no point going and knocking on the door to confirm it—for not take that time and effort and go and spend it in the block of flats at the other end of the road, where there are huge gaps in the register and there is much more of a problem? That is a step in the right direction—but it is only a step. We are still only in the foothills of the transition that hon. Members have been talking about, which I completely endorse.

We do need to be careful, because the idea of automatic registration is used, understandably, quite widely and loosely. We all mean slightly different things when we talk about it. Some of those things are clearly obvious and desirable, and we should get on and do
them tomorrow. Other things are potentially quite dangerous. Most people would agree that it is sensible to use more local data, as we are doing in a couple of the local pilots, to inform what we are doing on registration. Not only does that say an awful lot more about who is behind the door, because they are paying council tax or have a car-parking permit or a library card—there are many different forms of local data—but it allows us to focus efforts elsewhere, where we do not have data or there are significant question marks over their quality or veracity and we know there is further work to do to fill in the gaps.

The hon. Member for Edinburgh East anticipated my likely objections to automatic registration, or to data-driven registration, if I can be a bit more specific about what we might collectively mean here. I am happy to say that I am not going to raise any of the issues he suggested. He ran through a sort of checklist of standard Whitehall excuses about why we cannot do things. It usually starts with, “It is too expensive.” If that is not true, people say that we are doing it already. The third is that the IT will not handle it—that is a common one. It is the equivalent, for Star Trek fans, of Scotty saying, “I cannae give you any more, Captain; the engines are going flat out already.” But those excuses will not work. The hon. Gentleman is absolutely right: we can and jolly well should do more here.

Using local data is essential, but it is difficult to work out which bits are reliable. The principle is widely accepted, I think, but it is difficult to find out which specific fields in which database give a robust data set that confirms that we know this person lives here and is eligible to vote. The hon. Member for Sheffield, Heeley (Louise Haigh) and the hon. Member for Edinburgh East noted that we need to be careful not to end up registering people who are certainly living in a residence, but may not be eligible to vote, either because they are foreign nationals and are not eligible to vote in the UK, or for some other reason. That would end up switching from a problem of missing millions—false negatives in the jargon—to a problem of false positives, where we are enrolling people who should not be on the roll at all. We must be confident that we are using reliable local data. There is an awful lot of crashingly detailed but absolutely essential work to do to make that happen.

When we have reached the point where we all agree that data-driven enrolment is sensible, we come to the question of the degree of data-driven automaticity that we are willing to accept. At the moment, we have an opt-in system, where people have to exercise their right to register to vote. A fundamental principle about individual electoral registration that I think all parties sign up to is that it is essential in a democracy that people say, “I want to use my right to vote,” but if they have said it once, we do not necessarily have to ask them year in, year out for the rest of their lives. They are democratically entitled to change their minds, but if they have said, “I want to exercise my right to register to vote,” it should just be a question of tracking when they move house and ensuring that we have got the address changes correct. That is easy to say and extremely difficult to do, but there should not be a permission issue thereafter. We need to address that piece as well.

There is a difference between an opt-in system, where we say, “We know you’re living there, but do you want to register?” and an opt-out system, which is one possibility, or a “we’re not even going to ask you” system, which is a bit more dangerous. Whether that is really acceptable in a free society is a bit more questionable: it is tricky in some respects from a civil liberties point of view.

Those are the sorts of questions that I would be delighted if we were sophisticated enough and had updated our system enough to start worrying about. At the moment, we can make huge progress just by doing the data. The 80:20 rule applies: we will get 80% of the benefit from getting the data stuff done as fast as we can. That will not be easy, because it is so detailed. I will be delighted when we have got to the point where we can say, “Well, how much of an opt-in or an opt-out system do we want to have?” because we will have made huge progress, and as has rightly been pointed out, there are so many groups in our society where the picture of registration is uneven—in many cases, from a social justice point of view, unjustly uneven.

Interestingly, the group that is both biggest and least well registered has not been mentioned by anyone: expatriates. Several million expat voters are currently legally eligible to vote. Their registration rate is something like 5%, and there are therefore several million expatriates who are legally enfranchised but are unregistered. That is the biggest single democratic outrage—in the words of the hon. Member for Edinburgh East—that we have, but there are many others. Some BME groups have very high registration rates, but others do not. Some disabled groups have very low registration rates, but others have better rates. Many people who live in short-term rental accommodation, including students, have problems, too.

There is a huge amount that we can do. I hope that I have both reassured the hon. Member for Midlothian and perhaps tempted him a little as I have shown a little bit of ankle about where we are trying to get to and where we would like to take this issue. I think that we have a degree of cross-party unanimity on the direction of travel and the amount of work that we can do. I hope that that is reassuring. I will not go into the parallel but separate problem of individual electoral registration, on which I disagree with almost everything that has been said—that is a different conversation and a much longer debate—but on this issue we can and should make common cause, and with any luck, with a degree of cross-party unanimity, we will be able to make progress.

5.28 pm

Owen Thompson: I thank all hon. Members for their contributions on this important issue. It is particularly encouraging to hear agreement, at least in general terms, about the direction in which we need to travel to ensure that participation levels in elections of whatever nature across the country are as high as they possibly can be and that we do whatever we possibly can to remove the barriers that exist for so many people.

I am encouraged by the Minister’s comments that some steps are being taken. I would like to see that happen a lot faster, but I accept that if we start talking about pace, that will at least be an entirely different argument from the one about whether change should happen in the first place. I very much look forward to seeing what other actions and proposals come forward. Many of us want to get to the point of being able to debate what type of automatic registration system we
[Owen Thompson]

have rather than whether we should have one in the first place. I welcome his comments and I hope that yet further steps forward will be taken in the weeks and months ahead and we will get to a point where we can make decisions that will benefit millions of people across the country.

Question put and agreed to.
Resolved,
That this House has considered automatic registration in UK elections.
5.29 pm
Sitting adjourned.
Westminster Hall  

Thursday 30 June 2016  

[Mr Nigel Evans in the Chair]  

Homicide Law Reform

1.30 pm  

Alex Chalk (Cheltenham) (Con): I beg to move,  

That this House has considered the matter of reforming the law on homicide.

It is a great pleasure to serve under your chairmanship, Mr Evans, on this auspicious day. I wish to make crystal clear that the debate is about the law of homicide, not fratricide.

Putting that to one side, the real point is that the law of homicide is a mess. That was put more elegantly by the Law Commission in its 2006 report “Murder, Manslaughter and Infanticide”, in which it said that the law of homicide is “a rickety structure set upon shaky foundations.”

In essence, the problem is that the law lacks a rational or defensible structure. It does not chime with common sense—and in this area of the law perhaps above all others, it should.

As long ago as 1874, a Select Committee stated: “If there is any case in which the law should speak plainly, without sophism or evasion, it is where life is at stake; and it is on this very occasion that the law is most evasive and most sophistical.”

That remains the case more than 100 years later, and that will not do. In the words of the Law Commission, the time has come to “promote certainty…in a way that non-lawyers can understand and accept.”

But the problem is far more serious than mere opaqueness. The problem is that the law of homicide creates injustice—inequity to defendants and injustice to society—and that is something that we in this House must always stand ready to confront and resolve.

What is the solution? It is very simple: to split the current offence of murder into two categories, one of first degree murder and another of second degree murder. Manslaughter should remain as before, albeit more tightly circumscribed.

What, as a matter of law, is murder? It is committed when someone unlawfully kills another person with an intention to kill that person or to do them serious harm. That second element is really important. It means that someone who reasonably believed that no one would be killed by their conduct is placed in the same offence category as the contract or serial killer. That, in a nutshell, is the problem.

Let me give an example. Imagine a retired colonel living in my constituency of Cheltenham. He is aged 65, has lived an utterly unblemished life and served his country with great distinction, and is known for his charitable work. He is upstanding in every way. He lives with his wife, who has Parkinson’s disease and for whom he is the sole carer. A neighbour moves in next to him—this is important—a cricket bat in case there’s a storm or the cricket bat was stored and in frustration said, “Now, go and use it. Teach him a lesson.” She, too, could find herself facing the punishment and disgrace of a murder conviction and the same 25-year minimum term. She should of course be guilty of an offence, but again, she should be guilty of second degree murder, with the judge having the discretion not to impose a mandatory life sentence.

That is unjust. Although it is clear that a person who kills in such circumstances should be guilty of a serious homicide offence, it is equally clear that because he did not intend to kill, the offence should not be in the top tier or highest category. The current law does not chime with common sense. Academic research into public opinion tells us that, but frankly, we do not need academic research; we need simply to consult our common sense. The particularly daft thing—I hope that that is academic research; we need simply to consult our common sense. The particularly daft thing—I hope that that is parliamentary language—is that when Parliament passed the Homicide Act 1957, it never intended a killing to amount to murder, which at that time was a capital offence, unless the defendant realised that his or her conduct may cause death. The law of murder was widened because of an unexpected judicial development immediately following the enactment of the 1957 legislation—the case of Vickers, which is about interpretation of the expression “malice aforethought”.

In my view, that colonel should be guilty of second degree murder.

The injustice is further underscored when we add the potential for what are known as secondary parties or accessories to be convicted of a murder. Imagine that before the colonel had set off, his frail wife had told him where the cricket bat was stored and in frustration said to him, “Now, go and use it. Teach him a lesson.” She, too, could find herself facing the punishment and disgrace of a murder conviction and the same 25-year minimum term. She should of course be guilty of an offence but again, she should be guilty of second degree murder, with the judge having the discretion not to impose a mandatory life sentence.
This issue is particularly topical because the Supreme Court has looked at the case of Jogee and more tightly circumscribing accessory liability—the so-called prosecutor’s friend—but still we are left with a situation in which the unsatisfactory law of homicide leads to manifest injustice.

John Howell (Henley) (Con): I wonder whether my hon. Friend has in his mind what the range of sentences should be for second degree murder.

Alex Chalk: Certainly, on any view, life imprisonment must remain the maximum sentence—that is the maximum in the United States for federal offences where second degree murder is charged—but the key point is that the judge should have discretion. The Sentencing Council has done a terrific job of laying down guidelines—not tramlines—and the courts have shown themselves to be well able to dispense justice.

The case for reform becomes even clearer when we consider manslaughter, another homicide offence. Whereas, as I have indicated, the law of murder creates injustice for defendants, the law of manslaughter creates injustice for society. What is manslaughter? It can be committed in one of four ways, but just two of those are relevant for these purposes: unlawful act manslaughter and gross negligence manslaughter. The latter largely speaks for itself for these purposes, but let me explain what happens when a killing is the result of a defendant’s unlawful act—that is, one that all reasonable people would realise when a killing is the result of a defendant’s unlawful act—that is, one that all reasonable people would realise would subject the victim to the risk of some physical harm, albeit not serious harm.

Take this example. The defendant barges into a nightclub queue in Cheltenham. He has a string of criminal convictions for assault and criminal damage. In the queue, he is being drunk and obnoxious. He is insulting women for what they are wearing and telling them to get out of his way. The victim is the mother of two children. She works at nearby GCHQ and she is on a hen do. She politely asks the defendant to move to the back of the queue. His response is to say, “You silly cow; you need a slap.” He then strikes her repeatedly and hard to the side of the face with his open hand. She falls back, hits her head on the kerb and is knocked unconscious. The defendant runs off. The victim later dies, and the post-mortem shows that she suffered bruising—albeit no fracture—to her cheekbone and the fatal injury was caused by the impact on the kerb. The police arrest the defendant, who denies everything, but CCTV proves his guilt.

Under the law at present, that defendant can be charged only with unlawful act manslaughter, because the harm that he caused falls short of grievous bodily harm. The net effect is that he will be convicted of an offence that carries a far lesser stigma than murder and for which there is no mandatory requirement for a life sentence, and if he gets a determinate sentence, he will serve only half of it. Is that thug, I ask rhetorically, less culpable than the retired colonel or his wife? The only distinction is that the colonel intended to break a toe and the thug intended to commit a marginally less serious assault. In my view, that is a distinction without a difference—it is a distinction that is completely lost on the general public and, frankly, on me.

So, what needs to happen? This is not some academic exercise. Those two examples are not entirely artificial and they expose fundamental injustices. The first, as I have indicated, is to the victim, in the case of the colonel, and the second is to society in the case of the pub queue thug. The solution is clear: we need an offence of first degree murder that would encompass intentional killing only. I recognise the Law Commission, in 2006, wanted to add “killing through an intention to do serious injury with an awareness of a serious risk of causing death.”

That is fine, and I understand it, but in my view it is a complexity that unnecessarily detracts from the simplicity of the proposal I put before the House.

An offence of first degree murder would simply and coherently communicate to the public the particularly heinous nature of the crime of taking life and would attract the special condemnation and opprobrium that that deserves. To paraphrase Colonel Tim Collins’s famous eve-of-battle speech in 2003, anyone convicted of such an offence would truly live with the mark of Cain upon them. That offence should also, as at present, attract a mandatory life sentence.

Under my proposal, second degree murder would encompass killing through an intention to do injury that is more than merely transient or trifling. In plain English: it would encompass killing through unacceptable violence and thuggery. That would include the colonel and the pub queue thug—people who committed a significant assault on others but who did not intend to kill. That category of offence would not require a mandatory life sentence. Instead, judges would be free to do justice, weighing in the balance all of the aggravating and mitigating factors. For clarity, that would not include the case of the most minor assault. Think of someone creeping up behind a person, playing a trick on them and flicking their ear as a piece of horseplay. That is technically an assault, of course, but is obviously very minor. If that person fell over and died that should remain as manslaughter.

So, where does that leave manslaughter? Manslaughter would remain predominantly focused on cases of gross negligence. That is, offences in which there has been no unlawful assault or intention to kill, but in which the negligence has been so dreadful as to become criminal. The advantage of that is that people get it; people would understand that—it chimes with common sense.

Those are not outlandish suggestions. Other jurisdictions—most obviously the United States—have two categories of murder. For murders in the US over which the federal Government have jurisdiction, life imprisonment is only mandatory for first degree murder. For second degree murder the mandatory sentence is described as “a term of years to life.”

So why now? Because it is long overdue. The current distinction between murder and manslaughter is almost certainly more than 500 years old. No further general category of homicide has been developed in the intervening period, despite the fact that society, values and knowledge have changed out of all recognition.

The need for modernisation was obvious to our Victorian forebears. In this place, William Gladstone himself indicated his willingness to rationalise the law but nothing came of it—it keeps getting put off. That approach led one
cynical criminal lawyer to remark at the beginning of the 20th century that the hope of a criminal code being enacted by Parliament that would address the problems of the law on homicide was as remote as “expecting to find milk in a male tiger”.

We cannot keep putting this off. Modernising this key area of law is, to borrow the words of the Law Commission “an essential task for criminal law reform.”

It is time for this generation to take up the challenge and to create a law that is truly fit for the modern age.

1.40 pm

Victoria Prentis (Banbury) (Con): I congratulate my hon. Friend the Member for Cheltenham (Alex Chalk), who is a fellow member of the Select Committee on Justice, on his prescience in calling for this debate. It is a very important subject and has been for many years now, and it seems to me that the time is right for change in this area.

As a constitutional lawyer, I do not always keep up with the intricacies of criminal statutes and sentencing. In preparing for today I was slightly surprised that the definitions of “murder” and “manslaughter” had not moved on substantially since I was a student many years ago. We were taught that the law was outdated and not really fit for purpose; very little has changed.

The Law Commission in 2005 declared that:

“The law governing homicide in England and Wales is a rickety structure set upon shaky foundations. Some of its rules have remained unaltered since the seventeenth century, even though it has long been acknowledged that they are in dire need of reform.”

Sadly, that is even more the case today than it was then.

I next came across the effects of the law on murder in my work for the Government Legal Service, when the Prison Service was a major client throughout my career. At the start of my time there, the concept of whole-life tariffs was being tested in the Myra Hindley case. I became fascinated by psychopathy—though clearly not a practitioner. I learned that, though truly psychopathic murderers crossed my desk often, those cases, while newsworthy, were happily extremely rare and made up only a tiny proportion of those in our criminal justice system.

Just over 80 whole-life tariffs have been given since 1983 when they were introduced. Those guidelines are clear, judges seem to apply them sensibly, and there is also the right of political appeal where necessary. That system seems, to me and to the European Court of Human Rights, to work reasonably well, and is a good system.

The ramifications are far-reaching. In the Supreme Court’s words, the law has taken a “wrong turn” for more than 30 years. No longer must young adults out to rob or perhaps to drive a getaway car, but with no foreseeable circumstances, it is more important than ever that we sort the law out.

I am in no way belittling the crushing effect of murder on the families of the victims. However, those sort of crimes, which my hon. Friend the Member for Cheltenham so clearly explained, are very different from the premeditated, sadistic murders carried out by psychopaths which passed my desk. It is important that the law recognises that. Many years ago, the Law Commission published a report in which it proposed changes to homicide sentencing. Its most radical suggestion was explained very clearly by my hon. Friend—in brief, it was to split the offence of murder into first and second degree murderers, which itself can be categorised as voluntary or involuntary. After that, partial defences to murder of “diminished responsibility” and “loss of self-control” could be taken into account.

What is important is that those proposed changes would allow sufficient discretion for judges to choose from a far wider range of sentences. Yes, it would be more difficult for the public to understand at first, but with a concerted effort—possibly in a fictional context—our fascination for murder and serious crime would soon mean that the situation was clearer than it is now. After all, many of us have learned a great deal about coercive control recently, though happily not in a fatal context, through the goings on in Ambridge. Am I the only fan of “The Archers” in the room?

The Minister for Policing, Fire, Criminal Justice and Victims (Mike Penning): Yes.

Victoria Prentis: Sorry. I, too, have real concerns about the law of parasitic accessory liability, or joint enterprise. We have heard much about the joint enterprise law in recent months following the Supreme Court’s ruling in the Jogee case that “foresight is simply evidence (albeit sometimes strong evidence) of intent to assist or encourage”.

The ramifications are far-reaching. In the Supreme Court’s words, the law has taken a “wrong turn” for more than 30 years. No longer must young adults out to rob or perhaps to drive a getaway car, but with no thought of killing, end up with life sentences through the actions of their colleagues. We must confront the problem of the breadth of behaviour and culpability encompassed by the offence of murder.

Progress has been virtually non-existent since 2006, despite further consultation undertaken by both the last Labour Government and the coalition Government. So much is changing in the areas of prison reform and rehabilitation of offenders at the moment; both the Ministry of Justice and the Home Office are filled with reforming zeal. I can see that the Minister is smiling at me—surely this is the moment to make long-overdue changes to the law of homicide as well.

1.49 pm

Philip Davies (Shipley) (Con): It is a pleasure to serve under your chairmanship, Mr Evans, and it is a pleasure to follow two fellow members of the Justice Committee,
my hon. Friends the Members for Cheltenham (Alex Chalk) and for Banbury (Victoria Prentis). I did not intend to speak in this debate, and I am sure many people would rather I did not, but I have been prompted to speak briefly.

If I am well known for anything—I am probably not well known for anything at all—it is for being a hard-liner when it comes to dealing with crime and sentencing. I despair at the shocking sentences that are given out by judges and at some of the sentencing guidelines, which do not do justice to the crimes that have been committed. It may well be that my hon. Friend the Member for Cheltenham thinks that I am instinctively opposed to his plans. I thought it worth saying that, as it happens, I am not instinctively opposed to his plans. He made a very compelling case, as anybody who knows him would expect. I would not say that I am wholly persuaded, but I still have an open mind on this particular issue. I hope that the Government will have an open mind on this issue, because it is worthy of further debate.

One of the attractions, it seems to me, of what my hon. Friend is proposing is that it may lead to some more honesty in sentencing. One of the things that really irritates people about the criminal justice system is that we have sentences that sound tough, and make politicians sound tough when they say they are going to extend life sentences for this and that, but in reality are not tough at all. Dishonesty in sentencing is one of the worst parts of our criminal justice system and brings it into disrepute. If my hon. Friend’s plans were to lead to more honesty in sentencing, that in itself would be a good thing.

John Howell: I appreciate what my hon. Friend is saying about sentencing. Of course, we now have the Sentencing Council and, without wishing to create a bit of a love-in for members of the Justice Committee here, we do have the power to review sentences and comment on them. Is he suggesting that we should take a harder line on those in order to get the sentencing right? I get the feeling that the judiciary are simply following our guidelines.

Philip Davies: My hon. Friend is another member of the Justice Committee who is more talented than me. Yes, we should concentrate more on sentencing guidelines as a Committee and as a Parliament, because these matters are of great importance to our constituents. They are the ones, at the end of the day, who feel that the law comes into disrepute with some of the sentences that are handed down. I do not think we should leave it to unelected people to determine sentencing guidelines. We should be taking a greater role in those guidelines, absolutely.

I have an open mind about what my hon. Friend the Member for Cheltenham proposes, and I hope that the Government will look at it, because I think there are some merits in what he said. I would certainly not rule out supporting some of the changes that he articulated. We should not rush into this either. There are other things that we should think about. My hon. Friend the Member for Banbury mentioned the fact that the average minimum tariff for murder had increased from 13 years to 17 years. I was not entirely sure, if she was making a point about that, whether that was a good a thing or a bad thing. Most of my constituents would say that the increase in that tariff is a good thing.

Victoria Prentis: Just to make the point that that was the reality of the situation; that sentences for murder were getting longer and that it was important for judges to have the full range of sentences open to them so that they could match the sentence to the offence.

Philip Davies: I am grateful to my hon. Friend for that intervention. I think most of my constituents will be pleased to know that the average length of the minimum tariff given for murder has gone up. I suspect that if I were to do a straw poll of my constituents, most of them would be shocked that the average minimum tariff for the crime of murder was so low. I suspect most people in the country would be shocked that the average minimum tariff for murder was as little as 13 years in the first place. This is one of the great disconnects that we have with the general public at large; they expect murder sentences to be much tougher than that.

One of my notes of caution, therefore, for my hon. Friend the Member for Cheltenham is that his proposal might be used as a mechanism to try to weaken sentences for murder. That would fly in the face, I suspect, of what the public want to see. If somebody’s agenda is that penalties for murder at the moment are too harsh and this is a way of weakening them, that would be a terrible development. One of my notes of caution is that this does not get hijacked for all the wrong reasons by some of the penal reform groups that seem to have a view that nobody should be sent to prison at all. That is my first note of caution.

My second note of caution, and the reason why we need to tread carefully, is that in the cases that my hon. Friend alluded to, most people would accept that somebody’s life had been taken with some form of malice aforethought. At no point should we belittle the fact that somebody has had their life taken away with malice aforethought.

Alex Chalk: My hon. Friend is making some very helpful and important contributions. What he says is absolutely right, but whether it is the retired colonel who goes round to his noisy neighbour or the pub thug, under my proposals they would both be convicted of second-degree murder. That would mark society’s condemnation and give the judge power to sentence.

Philip Davies: I agree with that point; as I said at the start, I do not necessarily disagree with my hon. Friend. It is just worth making the point that in all the cases he referred to—hypothetical or not—somebody’s life had been taken, with some degree of malice aforethought associated with that. It would be dangerous if we did not give at least some recognition to that fact when considering these things. I certainly would not ever want to get into a situation where we seem to belittle one form of murder in order to form a distinction. We need to make it clear that both are terrible offences in their own particular ways.

If what my hon. Friend envisages is, perhaps, tougher sentences for first-degree murders in order to draw a distinction, I would welcome that. I think that there are
many people in the country who, as it happens, think that life should mean life when it comes to murder, as it so often does in the United States of America, but very seldom does in the United Kingdom. If that was what he had in mind, I think he will get a great deal of support. If he was trying to use this as a Trojan horse to reduce sentences for murder, I suspect he would get very little support from the public. Knowing him as I do, I do not think he has that kind of agenda; he genuinely wants to make sure that the law is fit for purpose and is not brought into disrepute. He does a fantastic job in Parliament in pursuing that agenda, both in the House and on the Justice Committee.

This is something we need to debate further; there is not a clear-cut case one way or the other. I will retain an open mind—people who know me well know that that does not happen very often. All I ask of the Government and of the official Opposition is that they also keep an open mind and discuss all the implications of any such change in the law. My hon. Friend’s case is a very good one and is certainly something that I can envisage happening at some point in the future.

1.59 pm

Dr Matthew Offord (Hendon) (Con): It is a great pleasure to serve under your chairmanship, Mr Evans. This is my first time doing so, and I am very pleased to see you in the Chair. I want to take this opportunity to welcome the proposal made by my hon. Friend the Member for Cheltenham (Alex Chalk) and highlight why I support it.

I want to raise the case of Stephen Martin. He is a 55-year-old man from West Sussex. I have sought the permission of my hon. Friend the Member for Worthing West (Sir Peter Bottomley) to mention the case, and he has said that he is happy for me to do so. He worked hard to rectify what I considered to be a miscarriage of justice.

I am keen on scuba diving, and I dive in Malta with my good friends Viv and Alan Whitehead. I often dive at a location called the Blue Hole in Gozo, which was where Mr Martin went diving with four other people. As he was considered more qualified than the other divers, it was decided that he would be the dive leader. However, during the dive, two of the participants—Mr Martin’s partner, Larissa Hooley, and another diver called Nigel Haines—lost consciousness. Larissa Hooley was taken to the surface, where she later died. Nigel Haines was missing for just a few moments before he was found and dragged to the shore.

The coroner’s court in Brighton and Hove decided the deaths were accidental, but the magistrate in Gozo sought an extradition warrant against Mr Martin, who spent six months on curfew. He had to report to the police station three times a day and was forced to wear a tag. The Maltese magistrate sought a charge of involuntary manslaughter. I bring up that case to demonstrate that we can move the debate forward. I want to give the Member for Shipley (Philip Davies) a chance to respond to the debate, which I thank the hon. Member for Cheltenham (Alex Chalk) for securing. I very much enjoyed serving with him and other hon. Members who are here today in my brief time on the Justice Committee. So much has changed for all of us in the Conservative party and the Labour party since those straightforward and timid days.

The hon. Gentleman brings the expertise of someone who sits on the Justice Committee, whose work I will refer to later, and the experience of a distinguished legal career. His former legal practice described him as “a first-class practitioner” and a “persuasive and forceful advocate”. As he has persuaded the hon. Member for Shipley (Philip Davies) to keep an open mind on this matter, I can certainly say that I agree with his former legal practice.

The hon. Member for Shipley, a fellow Yorkshireman, said that people would not want hear from him in the debate. On that, as on many other things, I fundamentally disagree with him. I was pleased to hear from him, as we all are, because one thing we do respect him for is that he always says what he thinks, which is very important. It was a pleasure to hear from the hon. Members for Banbury (Victoria Prentis) and for Hendon (Dr Offord), both of whom made interesting points about this most serious of matters. I thank the Backbench Business Committee for allocating this slot for the debate and ensuring that such important topics are debated in the House.

As hon. Members know, this is my first debate as shadow Secretary of State for Justice and shadow Lord Chancellor. I am pleased to follow in the footsteps of Lord Falconer and my other predecessor, Sadiq Khan, who is now the Mayor of London. Not only have I had the pleasure of briefly serving on the Justice Committee, but for 10 years I was a lawyer in my home city of Leeds, and for eight of those years I practised employment tribunal work. I am yet to meet my opposite number, the Lord Chancellor and Secretary of State for Justice, but I understand that he is rather busy at the moment. I am sure that he will be agreeable to meeting me at some point and I look forward to that.

There have not been many speeches in this debate, but they have all been excellent, and I feel with confidence that we can move the debate forward. I want to give the Minister the maximum time to respond—he may get a full hour to respond, who knows?

Mike Penning: Don’t hold your breath.

Richard Burgon: Some people would like me to hold my breath, maybe for a long, long time but, on this occasion, I will not. I will limit my remarks to briefly addressing joint enterprise, an issue that has been raised

2.2 pm
in this debate and that the hon. Member for Cheltenham mentioned in his submission to the Backbench Business Committee.

Any change to the law of homicide, no matter how small, is of the utmost importance to the public and the House. That is because homicide offences are some of the most serious criminal offences that any individual can commit against any other individual or individuals. The state, as a signatory to the European convention on human rights, must undertake a positive obligation under article 2—the protection of the right to life—to take all appropriate steps to safeguard life, and to put in place a legislative and administrative framework to provide effective deterrents against threats to the right to life. That is what we are debating and why, in my new role, I am keen to listen carefully and engage with as many key stakeholders as possible. I am keen to hear more from the Minister about the Government’s next steps.

On joint enterprise, it is important to refer to Lord Neuberger’s judgment, in which he said that the Supreme Court ruling did not automatically mean that all previous joint enterprise convictions were unsafe, and that “a person who joins in a crime which any reasonable person would realise involves a risk of harm, and death results, is guilty at least of manslaughter”.

the maximum sentence for which is life imprisonment. He also said that the rule that “a person who intentionally encourages or assists the commission of a crime is as guilty as the person who physically commits it” was not affected, and that it remained open to a jury to decide whether a person had intentionally encouraged or assisted a crime—for example, through knowledge that weapons were being carried. As the Prime Minister has said, we are dealing with a narrow change to the law, but one that could have massive implications for many people.

Mike Penning: I am probably the only non-learned Member present in the room, apart from my hon. Friend the Member for Shipley (Philip Davies), but I understood that the ruling was quite specific. I thought that the Supreme Court had said that the interpretation of the law had been wrong but that there was no need to change the law. The judgment was quite specific about that.

Richard Burgon: I thank the Minister for making that important point, and I look forward to hearing about that in more detail in his response.

The lawyer Simon Natas, who has worked with the impressive campaign group Joint Enterprise Not Guilty by Association, said that the “historic” ruling would make the law “fairer for everybody”. He is right, but it is important to make it clear that if someone goes out as part of a gang carrying guns or knives, and their actions encourage or assist in a murder, they should face the consequences. I am sure that is broadly the view of reasonable people, and that the public would support that. After listening to the views of my friends, neighbours and constituents, I know that, by and large, that is people’s view.

The judgment was right to acknowledge the growing call for change following the concern that quite peripheral members of a gang involved in a killing, who had no real clue what they had been caught up in, were being prosecuted. That is why I welcome the judgment. I press the Government to commit to conduct a review of the effects of the change after two to three years.

I am concerned by evidence that the Cambridge Institute of Criminology provided to the Justice Committee revealing that the proportion of black and mixed-heritage young men serving very long sentences for joint enterprise offences is much higher than their representation in both the general population and the overall prison population. Will the Government commit to reviewing that, alongside the wider review by my right hon. Friend the Member for Tottenham (Mr Lammy)?

We have heard today about so-called one-punch killers. The hon. Member for Cheltenham provided examples, hypothetical and otherwise, showing the difficulty of the issue and the serious consideration it requires. I am concerned about the public perception that attackers who kill with a single punch seem to receive lenient sentences that could be seen as lenient, despite the December 2009 Court of Appeal ruling on single-punch killings led by the former Lord Chief Justice, Lord Judge. The ruling’s conclusion stated that acts of violence resulting in death should be given “greater weight” in sentencing, even if the conviction is for manslaughter rather than murder. Will the Minister confirm whether he is reviewing that ruling?

I will close my remarks to give the Minister as much time as possible, although I suspect he will not take the maximum time available. The Labour party is clear that the criminal justice system relies on the fundamental principle that the public must have confidence in it, and it is our duty to ensure that victims and witnesses who come forward have confidence that their case will be dealt with thoroughly and fairly, and that people who break the law of the land and who are found guilty of some of the worst offences—homicide devastates families across the country—are punished accordingly.

I thank all hon. Members who took part in this debate, and I thank you, Mr Evans. I look forward to the Minister’s response.

2.12 pm

The Minister for Policing, Fire, Criminal Justice and Victims (Mike Penning): As usual, it is a pleasure to serve under your chairmanship, Mr Evans—I really mean that. I congratulate my hon. Friend the Member for Cheltenham (Alex Chalk) on securing this debate. It is honestly a real shame that more colleagues are not here for such an important debate—a debate that should continue beyond this afternoon. Far be it from me, in my lowly position, to suggest that this debate should be on the Floor of the House or that a Select Committee should hold an inquiry, but if I were a member of the Justice Committee, I would probably look to hold an inquiry. Like my predecessors, I will keep an open mind on this subject for as long as I am in the job, and probably long after.

The Supreme Court judgment has been mentioned a couple of times, and the five judges who made that ruling specifically said that they were referring to a very narrow part of law, which they said had been interpreted incorrectly in the judgments handed down by different judges. The Supreme Court specifically said that its ruling required not a change of law but a change in how
judges interpret the law. I say for the first time that the Government accept that ruling, and we accept that the law in this particular area does not need to be changed.

The Sentencing Council is currently looking at one-punch manslaughter cases, about which the public are understandably concerned. In the case mentioned earlier, such concern is only right and proper, but Parliament has rightly given the Sentencing Council responsibility for setting guidance—Parliament traditionally had that responsibility. I also fully accept that some parts of guidance are still set in statute, and there is an ongoing sentencing review.

I apologise for not welcoming the hon. Member for Leeds East (Richard Burgon) to his new post. I wish him every success in his very important position and, as with his colleagues who preceded him, I will give him as much support as possible. I wish him longevity in his position as a shadow spokesman. That can probably be taken in many different ways, but I mean to be nice.

We have heard about sentencing and for how long people are imprisoned. Of course, the changes made in 2003 are still coming through the system. As politicians, we all bandy around numbers for how long people serve, but people are, correctly, starting to serve longer sentences. As previous Justice Secretaries and Justice Ministers have said, we have no plan to abolish the mandatory life sentence. I cannot be a hypocrite: as a Back Bencher, I appealed against several unduly lenient sentences, and most people know that I have concerns about the restriction on appeals against undue leniency. People can appeal against basically any sentence they are given, but we are restricted in appealing against unduly lenient sentences. The Attorney General and the Justice Secretary are working on a review of that restriction.

At this interesting time in politics, in Westminster and in the country, it would not be right for me to indicate whether we agree or disagree with the proposals. I was asked whether the Department and I will keep an open mind, and we certainly will. Further debate on this issue is important. I am also conscious that the public must be satisfied that the law reflects common sense.

My hon. Friend’s point about the need for sentencing power to be transparent is also a good one. It is particularly relevant in the issue of homicide. If someone gets a life sentence and is told that they have a minimum term of 15 or 17 years to serve, that is the period that they must serve, yet if they are convicted of an offence of grievous bodily harm and the judge sets a determinate sentence of 15 years, they will in fact serve only half of that.

Mike Penning: Or less.
Alex Chalk: Yes; a maximum of half. My hon. Friend the Member for Shipley made an important point, and there is a further agenda to put forward.

To return to my central point, if we could divide the law of murder into first and second degree, those charged and convicted of first degree murder, which would be the most serious crime in the criminal calendar, would be convicted of something that would earn—if that is the right word—the opprobrium of society. People would understand that someone guilty of that offence intended to take life. I respectfully endorse the point made by my hon. Friend the Member for Shipley (Philip Davies), that in December 2010 the then Secretary of State, my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke), indicated that he was not minded to implement the Law Commission’s recommendations, but he qualified that by saying that he would keep an open mind about proceeding at a later date. We are now at a later date. Although I am probably shooting myself in the foot, especially if I stay in this position under the new Prime Minister—we will have one in the not-too-distant future—I think it has been too long. We now need to consider whether we accept the Law Commission’s 2005 report. Time has moved on. Although the report was important, and parts of it were accepted at the time, we must ensure that the report is still relevant, particularly in relation to subsequent changes to sentencing guidance. I cannot think of anything that can be done to another human being that is as bad as taking their life. There are myriad appalling things that people do to each other, but surely, in any society, taking a human life is the worst.

I will keep an open mind. I will ensure that whoever is Justice Secretary in the Government formed by the new Prime Minister sees my comments—the current Justice Secretary knows my views. We cannot let this matter drift for another five or 10 years. If something can be done, we must do it now. It sounds simple, but the lawyers in the room will know that it is not so simple in practice.

I congratulate everyone who has taken part in this debate, particularly the more learned Members. I look at the proposal from a simple point of view as a constituency MP—I think about what my constituents would think—so I agree with many of the comments made by my hon. Friend the Member for Shipley (Philip Davies). I probably have not answered all the direct questions asked by the shadow Minister, so I will write to him, and I will make those answers available to members of the Justice Committee, too.

2.19 pm
Alex Chalk: This has been a helpful debate. I introduced the topic to see whether there was an appetite for discussing it, and it seems that there is. My hon. Friend the Member for Shipley (Philip Davies) made some important points. He is absolutely right to say that in respect of this offence, perhaps beyond any other, there must be clarity, consistency and logicality. Members of the public must be satisfied that the law reflects common sense.

My hon. Friend’s point about the need for sentencing power to be transparent is also a good one. It is particularly relevant in the issue of homicide. If someone gets a life sentence and is told that they have a minimum term of 15 or 17 years to serve, that is the period that they must serve, yet if they are convicted of an offence of grievous bodily harm and the judge sets a determinate sentence of 15 years, they will in fact serve only half of that.

Mike Penning: Or less.
Alex Chalk: Yes; a maximum of half. My hon. Friend the Member for Shipley made an important point, and there is a further agenda to put forward.

To return to my central point, if we could divide the law of murder into first and second degree, those charged and convicted of first degree murder, which would be the most serious crime in the criminal calendar, would be convicted of something that would earn—if that is the right word—the opprobrium of society. People would understand that someone guilty of that offence intended to take life. I respectfully endorse the point made by my right hon. Friend the Minister that we need particular clarity on issues involving the taking of life.

What attracts me to the idea of second degree murder is that we could then lump in—if that is not too inegalitarian—all the other offences that deserve society’s condemnation, as my hon. Friend the Member for Shipley indicated, because life has been taken through an unlawful act. If we grouped those offences under second degree murder, we would not need a mandatory life sentence, but if the judge thought—the facts of the case—that that was required, that is precisely what could be imposed. Taking into account how the law has moved on in respect of Jogee and of our modern mores and understanding, it seems to me that this is a reform whose time has come.

Question put and agreed to.
Resolved.
That this House has considered the matter of reforming the law on homicide.

2.22 pm
Sitting suspended.

That this House has considered the matter of reforming the law on homicide.
Hearing Loss: Action Plan and Commissioning Framework

[Valerie Vaz in the Chair]

3 pm

Jim Fitzpatrick (Poplar and Limehouse) (Lab): I beg to move.

That this House has considered NHS England’s Action Plan on Hearing Loss and the adult hearing service commissioning framework.

I am grateful for the opportunity to open this debate, and I am pleased to see you presiding over our business, Ms Vaz. I am also pleased to see the Minister and the new shadow Secretary of State for Health, my hon. Friend the Member for Hackney North and Stoke Newington (Ms Abbott), in their places. I look forward to their comments.

I am disappointed that there are not more colleagues here, but given events taking place outside, it is perhaps no surprise that their focus is elsewhere. I am, however, particularly pleased that my hon. Friend the Member for Nottingham South (Lilian Greenwood), who chaired the all-party group on deafness before me, is here. She brought great enthusiasm and direction to that role and formed the work programme that the group is still following. I am also grateful to the Backbench Business Committee for granting me the opportunity to have a debate on this important issue, and to Alex Adcock and Tom Powell of the House of Commons Library, the UK Council on Deafness, the Royal College of Physicians and others for their briefings, which have helped me to formulate my comments.

I would like to put on the record how much work is being done. I do not intend to attack or criticise the Government; this debate is an opportunity to seek clarification on some of the important issues concerning deafness and hearing loss. The British Society of Audiology, the British Academy of Audiology and others have commented positively on the joint working on the action plan on deafness and the collective efforts to develop an overarching commissioning framework for hearing. That framework document is due to be published on 19 July and will be launched here in the Commons. Today was the closest date for securing a debate to give the Minister a platform to confirm the progress that has been made and to elaborate on arrangements for the day. But I am getting ahead of myself.

I am grateful for the opportunity to raise some issues for the Front Benchers to comment on. As I said, I am chairman of the all-party group on deafness, following my hon. Friend the Member for Nottingham South. We have an active all-party group, which is well supported by colleagues from both Houses of Parliament. I want to put on the record my appreciation for Dan Summers of Signature UK, who was seconded to act as the admin secretary to the all-party group. I commend him for his support; he has done sterling work in service of the group. We are very grateful for that and wish him well in the future.

On a personal note, I wear two hearing aids. My hearing loss was originally diagnosed as industrially induced from my time in the London Fire Brigade, but I am sure that age could be contributing to my present difficulties. I thank the audiology department of the Royal London Hospital for the support and treatment that it gives me when I need assistance. I also thank the engineers and technicians who maintain the loop system here in the Palace of Westminster, which is very good in this Chamber, as it is in most of the venues in the House. In the main Chamber, it can be a little bit unpredictable, but there are speakers in the Benches to help with any difficulties we might have, so we are well served in these buildings.

Hearing loss affects more than 10 million adults and 45,000 children in the UK, which equates to one in six of the population, and it is estimated that by 2031, 14.5 million people in the UK—approximately one in five of the population—will have hearing loss. The most common form of hearing loss is age-related, and the prevalence of deafness approximately doubles with every decade of life.

The Royal College of Physicians says that NHS England’s action plan on hearing loss “recognises significant regional variances of early diagnosis and care for children and adults with hearing loss. The document sets out a commitment to design and deliver excellent, high quality care audiology services to meet patient need. The National Improving Quality In Physiological Services accreditation programme (IQIPS)—run by the Royal College of Physicians—assesses audiology services across England to ensure they operate safely and to a high standard. IQIPS is a recognised marker of excellence in patient care and in reducing variances in audiology services.”

I recently visited Auditory Verbal in south London and attended its event held here in the Palace of Westminster. It demonstrated that the earliest diagnosis and treatment can help children who are born deaf or suffer severe hearing loss to learn to communicate normally, by using the brief window of the very early years to stimulate the auditory part of the brain before it loses the opportunity to develop. I commend Auditory Verbal for the work that it does. If the Minister is not familiar with that organisation and has not had the chance to visit it, I strongly recommend that he does so, because it is an inspiring experience. There are a lot of great people around the country working with and for that organisation.

Officers of the all-party group were grateful to the Minister for the opportunity to meet him recently to discuss the action plan and to ask about the commissioning framework. This debate is a continuation of that dialogue. We raised a number of issues, such as the provision of hearing aids; a national screening programme; promoting the prevention of hearing loss; providing innovative models of care; active support for people with hearing loss; and the recognition of British sign language.

The action plan addresses those issues and sets out five key objectives: good prevention to reduce the numbers of young people and adults with noise-induced hearing loss; earlier diagnosis to improve outcomes for babies with hearing loss and increase identification of children and adults in at-risk groups; integrated services; increased independence and ageing well; and good learning outcomes, including improving employment opportunities for young people and adults and reducing development and attainment gaps between deaf and hearing children.

The briefing from the UK Council on Deafness was very helpful in outlining the background to today’s debate. It says:
This debate has been called prior to the publication of the NHS England adult hearing service commissioning framework. The framework will be launched in Parliament at 2pm on 19 July in the Boothroyd Room.

I hope that a lot of colleagues will be able to turn up to support that event. It continues:


All-party group officers told the Minister at our meeting that we commend the officials within the Department of Health and NHS England for their sterling work in drafting the report and bringing together the commissioning framework. There are a lot of great people doing great work. I have met and listened to a number of them in different meetings, and we are very grateful for all their efforts in this area of policy.

The UK Council on Deafness says:

“The aim of the action plan is to do more on prevention, early diagnosis and support for those who have permanent hearing loss.”

It makes the important point that the action plan acknowledges that

“without hearing aids people are ‘at greater risk of social isolation, and reduced mental well-being…there is a strong correlation between hearing loss and cognitive decline, mental illness and dementia’. The Ear Foundation has estimated the cost of untreated hearing loss to be £30 billion per year. It has found that hearing loss is associated with reduced income of £2,000 per year on average. Wearing hearing aids halves that loss. At least £25bn in potential economic output is lost each year because of a lack of support for people with hearing loss and deafness.”

The council also quotes Action on Hearing Loss, which “has found that people wait on average 10 years to seek help after they first notice symptoms of hearing loss. Only a third of people who need hearing aids have them, leaving 4 million people with hearing loss; that is 1 in 6 of us, which translates to 11 million people in the UK are currently affected by hearing loss; that is 1 in 10 of us, which translates to about 10,000 of our constituents. With an ageing population, both that number and the proportion of us affected is rising fast. But it is not simply the numbers

which when she was chair—to colleagues from both Houses who support the group so positively. The Minister knows from the parliamentary questions that come across his desk and from occasional debates and early-day motions that deafness is a matter of interest in the Commons. However, the number of parliamentary actions that my colleagues and I initiate do not reflect the importance of the matter or the number of people affected in this country. I hope that our efforts today and the positive progress that the Government and NHS England are making will reassure the people affected, and those campaigning with them and on their behalf, that the Government and NHS England recognise the condition of hearing loss and that it is being addressed.

As I started by saying, the all-party group requested this debate to demonstrate how much NHS England has done, to raise matters of ongoing interest or concern and to see what more we could solicit from the Minister on the issues that he knows are live within NHS England and the Department. I know he is very much on top of his brief, and I look forward to his comments. We look forward to 19 July and the publication and launch of the framework document, so that the provision for people suffering hearing loss can be not only understood but maintained and improved.

3.12 pm

Lilian Greenwood (Nottingham South) (Lab): It is a great pleasure to see you in the chair today, Ms Vaz, and to have the opportunity to speak in Westminster Hall for the first time in a while.

I want to begin by congratulating my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) on securing today’s date and on the excellent work that he is doing to lead the all-party group on deafness. I am very proud to represent a constituency that is home to the national charity, the Ear Foundation, of which I am a patron. We are also home to the Medical Research Council’s Institute for Hearing Research, the Biomedical Research Unit on Hearing and the excellent audiology department at Nottingham University Hospitals NHS Trust. Their work is outstanding and makes a huge contribution to our understanding of hearing loss and deafness in the UK and of the ways in which we can best support those with hearing difficulties to fulfil their potential and live the lives they choose.

Back in November 2013, I secured an Adjournment debate on hearing loss in adulthood and I pressed the then Minister, the right hon. Member for North Norfolk (Norman Lamb), to get on with publishing the long-awaited action plan on hearing loss and to monitor its implementation. When it was published in March 2015, it was welcomed on both sides of the House and by everyone with an interest in hearing issues. It sets out clearly the high personal, societal and economic costs of hearing loss—the case for action—and the actions that need to be taken: better prevention, early diagnosis and the right provision of support and services.

As my hon. Friend the Member for Poplar and Limehouse has set out, the case for action is huge: 11 million people in the UK are currently affected by hearing loss; that is 1 in 10 of us, which translates to about 10,000 of our constituents. With an ageing population, both that number and the proportion of us affected is rising fast. But it is not simply the numbers
affected that makes this a major public health issue; it is the significant impact that untreated hearing loss has on people's health and wellbeing.

To communicate is to be part of society. Losing one's hearing is not simply about the absence of sound. If not addressed, hearing loss becomes the loss of our capacity to take part in social life. It is a 24/7 condition and in most cases there is no cure, so it is an exaggeration to say that it can destroy lives. Because communication is at the core of human experience, people with hearing loss can find it very difficult to negotiate everyday interactions, whether in the workplace, on the bus, at the supermarket or in the local doctor's surgery. It can lead to isolation and exclusion. It can also damage personal relationships. Many deaf people report finding it difficult to join in with family conversations and jokes. Couples say they feel more distant from each other and from their friends; and partners of people with a hearing problem describe feelings of loneliness and frustration.

Travelling on public transport becomes a challenge. A minor problem such as a platform alteration or a delayed connection can become a major problem if you miss the announcement. That can leave deaf people feeling anxious and vulnerable and worried about being left stranded or lost. Failure to address hearing problems does not just affect individuals and their families; it has implications for society as a whole.

It is estimated that hearing loss costs the UK economy £25 billion a year in lost productivity and unemployment. Too many people are forced to resign, retire early or take redundancy as a result of their disability. Of the 300,000 people of working age with severe hearing impairment, 20% report being unemployed and seeking work; and another 10% report that they cannot seek work owing to their ill health. As the state pension age rises and more jobs depend on people's communication skills than was the case 20 or 30 years ago, such vulnerability to unemployment is a growing problem.

Research shows that hearing loss is also linked to other health problems, doubling the risk of developing depression and increasing the risk of anxiety and other mental health difficulties. There is also increasing evidence of links between hearing loss and dementia and evidence linking hearing loss to learning disabilities, diabetes, stroke and obesity. That is the bad news. The good news is the incontrovertible evidence that hearing aids and other technologies, including cochlear implants, improve people's ability to communicate and their quality of life. They reduce the risk of depression and other health problems. But early intervention is key to maximising the benefits, so we must address issues relating to early diagnosis, prompt referral to high-quality audiology services and appropriate provision of hearing aids and other interventions.

Hearing aids are most effective when they are fitted early, but on average, as the my hon. Friend the Member for Poplar and Limehouse said, people wait 10 years before seeking help, and when they do eventually seek help, GPs fail to refer 45% of those reporting problems with their hearing to NHS audiology services. That is why I was so disappointed that the national screening committee decided not to recommend an adult hearing screening programme that could have helped us to address the issue.

I am sure the Minister has read the research report by Action on Hearing Loss and the Ear Foundation—I have it here—which posed the question, “Adult Hearing Screening: can we afford to wait any longer?” If he has not, he is welcome to have my copy. Their evidence tells us that the answer to the question is a resounding no. I hope the Minister will agree to look again at that evidence.

The idea that people do not wear their hearing aids and keep them in a drawer is outdated. Today's technologies are accepted and are worn, although the more we can do to improve follow-up care and reduce stigma, the better. Tackling hearing loss is cost-effective. We cannot afford to wait years for a randomised controlled trial. We should be acting now.

We are also very concerned, of course, about the risk of rationing access to hearing aids, as local health commissioners' budgets are under intense pressure. In fact, the report on NHS audiology across the UK published by Action on Hearing Loss and entitled “Under Pressure” showed that 30% of NHS audiology providers had had their budgets reduced. Along with increased demand, that had led to two fifths of providers making service reductions, resulting in longer waiting times, fewer follow-up appointments and reduced availability of home visits. In a small number of cases, providers were not providing two hearing aids to patients with hearing loss in both ears.

Worse still, as everyone is aware, North Staffordshire clinical commissioning group decided in March last year to stop funding free NHS hearing aids altogether for those with mild hearing loss. There was a fear that others would follow it in doing that, but so far, as a result of significant campaigning by Action on Hearing Loss and many others, that has not happened. South Staffordshire, South Norfolk, Kernow and Mid Essex CCGs, which had all signalled their intention to restrict hearing aid provision, have now decided otherwise, or have at least delayed a decision until the national commissioning framework is published. However, three CCGs in Worcestershire are currently consulting on potential changes to local health services—including a proposal to cut NHS hearing aid provision; so there is still a threat to services.

When I asked the then Minister, the hon. Member for Central Suffolk and North Ipswich (Dr Poulter), about the North Staffs' decision, he told me:

“If the hon. Lady has concerns about local commissioning decisions, she should take them up with local commissioners...It is important that clinical services are now designed and delivered by front-line health care professionals, and if she is concerned about them, I am sure she will take that up with her local CCG.”—[Official Report, 15 October 2014; Vol. 586, c. 407.]

I know that the Minister who is present today shares the concerns of the all-party group about rationing, and I hope that he can give me greater assurance that the commitments in the Government's action plan will be more than warm words and will translate into effective action. The action plan and the commissioning guidance present an opportunity to improve millions of people's lives, and I hope that we will grasp it.
Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): It is a pleasure to serve under your chairmanship, Ms Vaz. I congratulate my fellow east end MP, my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick), on securing this important debate; I also congratulate my hon. Friend the Member for Nottingham South (Lilian Greenwood) on her thoughtful speech.

As we have heard in the debate, hearing is at the heart of the human experience. I think we will all have seen online the short films of babies who, through hearing aid devices, suddenly hear their mothers’ voices for the first time. Those babies’ faces are transformed, and that reminds us how important hearing is.

There is much to welcome in the Department of Health’s action plan on hearing. The aim of reducing the stigma related to hearing loss is important. I think that sense of stigma is the reason for people waiting so long before they get the help they need. Designing public services and public spaces to support good communication is also important. Here, and certainly in the Chamber of the House of Commons, the design is good and hearing loss need not stop any Member following what is going on; but there is more to be done in other public spaces, such as cinemas, theatres and so on.

The action plan also seeks to provide better communication support and understanding in the workplace. That is important, because for people of working age I think the worst thing is the feeling that hearing loss is cutting them off from the workplace. The workplace is not just source of income; it gives people a sense of identity, self-worth and importance. For that to be cut off through hearing loss is tragic. The things that are wanted in the workplace are timely access to assistive devices, language support—such as learning British Sign Language or sign-supported English—and speech to text. Another aim of the action plan is that there should be more research into the causes and management of hearing loss and tinnitus. Tinnitus is a particularly alarming issue. It is sometimes written and talked about as if nothing can be done. It can be as bad for people’s ability to function in society as absolute hearing loss. It is important that we have more research on its management, rather than just accepting that nothing can be done about it.

An important aspect of the action plan is the promotion of strategies for the prevention of hearing loss, and an understanding of hearing awareness. Some hearing loss is workplace-related, and my hon. Friend the Member for Poplar and Limehouse said that his may be related to his working life as a fireman. Some hearing loss happens as people get older. However, we need strategies to prevent it, if that is possible. Early awareness, diagnosis and management is vital. That is why we think the issue of stigma is so important. We want person-centred planning that is responsive to information and social needs and that reaches out into all communities.

We should not assume that communities whose first language is not English will be able to get access to all the things that are made available. Many communities, particularly in the east end of London, are mono-cultural societies. It should be as easy for a Bengali widow in Poplar and Limehouse to get access to lip-reading classes, befriending services or support groups as it is for a retired man in Nottingham. Finally, one of the aims of the Department’s action plan is to promote inclusion and participation, through ensuring that all public services are accessible, and to support language and communication needs. Those are excellent aims.

The purpose of today’s debate is to consider how far the aims are being achieved, and my colleagues have touched on two major issues that are worth considering again. The question of hearing aid rationing arises in the context of pressure on NHS resources. One way in which the NHS and CCGs are seeking to manage the pressures is by raising the bar before someone can get access to a service or to help. One of the most alarming aspects of that approach is its effect in mental health, where people must manifest more extreme symptoms before they can get help. It might seem to CCGs that rationing hearing aids is a less obvious form of rationing, because only the patients know or understand what has happened. Thus, as we have heard, since October 2015 one CCG—North Staffordshire—has stopped providing hearing aids to patients who have mild hearing loss, and it subjects those with moderate hearing loss to a questionnaire before it decides whether to provide them with a hearing aid.

As the Minister heard from my colleagues, it is not acceptable to ration hearing aids in that way. There is a danger that people’s hearing loss will get more severe before they can get the help they need. There are some exemptions, such as for people with dementia; hearing loss can make people more susceptible to dementia, physical disability or tinnitus. However the approach in question is not good enough. If the Government feel that we must have rationing in the NHS, we need clarity about that—it must be transparent and there must be debate. It cannot happen just because the Government feel that somehow they can get away with it.

Ten further CCGs have consulted on proposals to stop the provision of NHS hearing aids to patients with mild to moderate hearing loss, although none, as we have heard, has gone ahead with the proposals. Some are seeking alternative cost savings and others await the publication of the commissioning framework. As the Minister has heard, hearing aids are good value for money. The cost to the NHS of a pair of hearing aids and three years’ support is under £400, but the average price for an individual purchasing a hearing aid privately is £3,000. In the part of the world that I come from—the east end of London—£3,000 for a hearing aid is prohibitively expensive. Furthermore, the sad fact is that 30% of audiologists have had their budgets reduced in real terms over the past two years, and 33% said that increased demand is directly impacting on the scope or quality of the service that they can provide.
Ms Diane Abbott

The other point, apart from the notion of hearing aid rationing, is to do with routine health checks. The charity Action on Hearing Loss commissioned a cost-benefit analysis of hearing screening, which found that screening everyone and providing support to those who need it at the age of 65 would save £2 billion over 10 years, for a cost of only £255 million. Low levels of diagnosis mean that two thirds of people are not getting the treatment and support they need. The research suggests that there is an average 10-year delay in people seeking help for their hearing loss and that, when they do, GPs fail to refer fully 45% of those reporting hearing loss to hearing services.

Hearing loss can be a gradual process. The stigma around hearing loss might make people reluctant to get the help they need, in particular as they get older and feel it is a sign of ageing to which they do not want to admit. Imagine, though, the reality for people who gradually and incrementally find their hearing going, and find themselves increasingly shut off from the world, the workplace, family and friends. Some excellent work has been done on the issue, and I await with interest the Minister’s response to the points that have been made.

3.31 pm

The Minister for Community and Social Care (Alistair Burt): It is a pleasure to speak under your chairmanship, Ms Vaz. Thank you for chairing this important debate.

Whatever else may be going on in this place at the moment, it is important that every now and again we return to what most people would regard as real life. As both Government and Opposition Members, we should give a strong sense of how we remain very engaged with matters that affect people every day. We will continue to do so.

I am grateful to my friend, the hon. Member for Poplar and Limehouse (Jim Fitzpatrick), for bringing the subject before the House. It is some time since we played football together—too long—and we will have to find another way to do that. I have great fondness for the hon. Gentleman, who represents his constituents well, and who has always raised this cause in the best possible way, being informative as well as challenging when in opposition. I appreciate his work, and the work of the hon. Member for Nottingham South (Lilian Greenwood), in particular with the all-party group, which is so essential to keep Members informed about what is going on and what we need to be engaged with. I endorse the thanks to those who promote and support the all-party group and its work.

I welcome the hon. Member for Hackney North and Stoke Newington (Ms Abbott) to her role as the shadow Health Secretary. I thank her for her contribution today, and I look forward to hearing more from her. I appreciate the many burdens on her and her colleagues, so I appreciate her taking part in the debate.

The hon. Member for Poplar and Limehouse set out, broadly, the situation affecting the action plan and looked forward to the next stage, including the commissioning framework, which I will touch on. He spoke about the practicalities of life, paying tribute to those who put in the loop systems, and about how well technology has improved over the years—a sentiment I share. He made reference to a couple of specific topics that I will cover.

The hon. Member for Nottingham South did the same and spoke about the effects of deafness. Some years ago, as colleagues might be aware, I was Minister with responsibility for people with disabilities, and when she spoke about the importance of communication, I remember in particular a visit I made to Sense, the deaf-blind charity, at its premises in Peterborough, where I was introduced to a number of people. The importance and value of communication were brought home to me when I engaged with one particular gentleman, who understood what people were saying because he put his finger on their lips to follow the conversation. He could not see or hear, but his finger on their lips meant that he could follow the shape of the mouth. He then tapped out his reply on the back of his carer’s hand. Think how easily we communicate, at the drop of a hat, and see what someone was prepared to do because he was desperate to communicate. That reminds us of the absolute value of communication to human life and existence. I remember that example to this day, even 20 years on.

When the hon. Lady and other colleagues were talking about what being deaf means, how it affects life, how hearing and communication are a vital part of people’s existence, and about the absence of those and the difficulty that it brings, they brought home to me just how important the subject is. That is why I value the debate, and I am grateful to the Backbench Business Committee for allowing it and to the hon. Member for Poplar and Limehouse for securing it.

The shadow Secretary of State for Health also raised matters of rationing, financing and screening, so I will now cover those with my prepared remarks.

I congratulate the hon. Gentleman on securing the debate on NHS England’s action plan on hearing loss and the adult hearing service commissioning framework. The advent of the commissioning framework on 19 July will mark an important milestone. I share his sense that it is an important event. We hope that many people will come to the launch. It is only right, therefore, that we come together to discuss the opportunities and challenges that the publication presents.

As colleagues have mentioned, hearing loss is widespread. More than 10 million people in the UK are affected, and our rapidly ageing population means that that number is set to grow. As mentioned, projections show that by 2031 there will be more than 14.5 million people with hearing loss in the UK. Those demographics alone provide compelling evidence for why the UK needs to step up its response to hearing loss to enable further research, to take action on prevention and to enable people with hearing loss to access the services and support they need.

The Department of Health and NHS England’s action plan on hearing loss, published in March 2015, recognises the impact of deafness and hearing loss on individuals and society as a whole. Crucially, in my view, the plan accepts that hearing loss is not only a health issue, as we have been saying, but a cultural one. Tackling that societal challenge requires an integrated approach across the public, private and third sectors.
NHS England is therefore committed to delivering 20 outcome measures across five key areas, which have been touched on: prevention; early diagnosis; patient-centred, integrated management; ensuring that those diagnosed do not need unscheduled care or become isolated; and enabling inclusion and participation. That work will be spearheaded by a range of multidisciplinary groups with cross-sector representation.

The publication of the plan heralded an important new chapter in driving essential improvements, but we know that there are significant challenges for hearing services. Adults with hearing loss wait, on average, 10 years before they seek help—again, as colleagues have said—and, when they do visit their GP, 30% to 45% are not referred on for a hearing assessment. We know about significant unmet need and variation in services. For example, only about two fifths of people who need hearing aids have them. I have also heard some disquieting anecdotal accounts that some clinical commissioning groups have been taking difficult decisions and considering the rationing of hearing loss services.

Some of the news is helpful, such as the statistics on when referrals are made and things move forward. In 2013-14, 84% of people seen were seen within 16 days of referral; 92% were fitted with hearing aids within 20 days; 97% had their first follow-up within 70 days; and 800 different types of hearing aid were available from the NHS supply chain. So once someone is in the system, things are available, but we want to improve the provision of services.

Jim Fitzpatrick: Will the Minister give way?

Alistair Burt: I was about to come on to rationing, but I am happy to give way at this stage.

Jim Fitzpatrick: My hon. Friend the Member for Nottingham South (Lilian Greenwood) mentioned—I think this was in my notes, and the Minister just repeated it—the numbers who are not referred on by GPs. I have not got to the bottom of why that is. GPs are not auditory specialists, so we would think that if someone comes to them and presents with audiological problems, the logical thing would be to send them to their local trust, who are the experts and have sound-proof booths, technicians and specialists, to identify and assess the nature of the problem. I have read that figure a couple of times. But I have not got to the bottom of why they are not being referred. I am not sure whether the Minister will have an answer, but I thought I would raise that point.

Alistair Burt: I must confess that I do not have an answer. He makes a perfectly fair point. Whether or not that is what people raise at the time they are in the surgery or whether they recognise it themselves or minimise it by saying, “I’m just getting old” or whatever, I do not know. I will make an inquiry and see what research we have at present. Family practitioner care and GP services are under constant review, and we have a number of different pilots and vanguards looking at the provision of primary care services.

I will see what emphasis is being given to this particular aspect. Certainly we recognise that the demographics indicate that all issues associated with getting older, which can include hearing loss, are rising up the scale and the agenda. I will make specific inquiry about whatever reasons we have at present in relation to this matter and write to each of the hon. Members present to give that information. I am very happy to do that.

Lilian Greenwood: I wonder whether the Minister thinks there is a role for raising public awareness to empower patients not just so that we improve GPs’ understanding—that might be the issue—but so that people are a bit more demanding and recognise that hearing loss is not an inevitable consequence of growing old that has to be put up with but something that can be addressed.

Alistair Burt: Absolutely. Again, there may be more to be done through charities, the third sector, the Royal College of General Practitioners and perhaps the British Medical Association, certainly about the thing that people have in the back of their mind and do not always raise. Clearly, if there has been a sudden change, people may mention it. I suspect that part of it may be that people’s hearing loss is gradual. Perhaps there is an earlier stage.

All colleagues mentioned early intervention and perhaps there is a point at which it should be stated that hearing loss is not necessarily a natural thing that people should accept; it is something that they could and should do something about. My father is a GP and he always said that the most important part of any consultation was when the patient had taken their coat from the chair and put it on and was just leaving the room and said, “Oh, there’s one more thing, Doctor.” At that point, he always brought them back. I wonder whether, for a number of patients, that one more thing that they think they might not bother the doctor with is actually that: “I’ve just been getting a little bit hard of hearing. Maybe it is something and nothing” and so on. Perhaps that is something we could promote and say, “If that is your circumstance, do let someone know, because there is support available.”

Let me develop the discussion. We spoke about rationing services. I am aware that NHS England supported a recent decision from North Staffordshire CCG because it was able to demonstrate that its commissioning policy was evidence-based and had followed extensive public engagement. The hon. Member for Nottingham South was right to say that I am extremely wary of rationing early intervention and hearing aids at the very early stage. I fully accept all the evidence that says that it is doing something at that early stage that prevents something else later on. As colleagues have said, no one else has yet followed that. There has been a lot of challenge. It remains possible for NHS England to intervene if it thinks that commissioning has gone badly askew, but for now that has not been followed.

I will make a general—if slightly light-hearted—remark about resources in the national health service. Due to the decision taken by the nation last week, those who promoted a decision to leave the EU have promised, I think, £350 million a week—or maybe it is £100 million a week—to come to the NHS. My understanding is that that will not happen immediately, but perhaps in two or three years’ time we might see that money written into the health service’s baseline. It would be nice if that were to be. That remains to be seen. Certainly if that
comes to pass, it would be one silver lining in the clouds of last week, but I suspect that that will not be a decision for me to take.

Ms Abbott: I want to press the Minister on the issue of rationing—I was involved in the discussions on the current reallocation in my earlier incarnation on the Front Bench. Is he saying that nothing can be done until a CCG announces that it plans to ration, or is there any way—even under the reorganised NHS—of giving central direction to CCGs about that?

Alistair Burt: There is not a way of giving a central direction, because the whole direction of travel in the health service in recent years, as we know, has been to allow decisions to be made as close to people as possible. CCGs and the areas covered by them vary in the nature of their provision—there is variation in services, as we know—and if we were to go back to giving national direction on virtually everything and taking decisions that amount to micromanagement, as this one would, we would be moving away from that.

I will come on the commissioning framework and the action plan in a moment, but the commissioning framework should set out what the expectations are. However, it is right to leave local decision making to those working locally. Indeed, the recent decision and the pressure in other places have reminded CCGs of the importance of early provision, which has probably been far better than any directive from the centre.

Ms Abbott: So the Minister is saying that, in respect of the rationing of hearing aids, all we can really do is cross our fingers.

Alistair Burt: No, in all fairness I am not, because it has happened in only one CCG. It has not spread everywhere, and I think that is because the concerns that have been raised in the NHS and elsewhere have persuaded CCGs that they would not like to make that restriction.

To come back to the issue of resources, and to be a little more serious, the NHS remains under significant financial pressure. We have committed to making an extra £10 billion available to the NHS by 2020, as the chief executive has requested, but money will remain tight. Unless we want to go back to a situation in which everything is directed from the centre, we must leave local decision making to those closest to an area—that idea will remain in place. To characterise that as crossing our fingers is not entirely fair, and it has not proved to be the case.

The forthcoming commissioning framework will support CCGs to make informed decisions about what is good value for the populations they serve, using an evidence-based methodology to determine policy. NHS Improvement has received expressions of concern about commissioners reducing prices for audiology services, causing firms to exit those services, and reduced access and choice for patients. So far, except in one case, those allegations have not been substantiated and no formal complaint has been made to enable NHS Improvement to consider taking regulatory action.

NHS England could consider any immediate concerns about a CCG’s behaviour at local level under the assurance framework, and there may be scope for NHS Improvement to consider them under the National Health Service (Procurement, Patient Choice and Competition) (No.2) Regulations 2013, under the pricing rules contained in the national tariff.

Hon. Members raised the issue of screening. I am aware that the “Hearing Screening for Life” campaign has called for hearing screening to be introduced for everybody at the age of 65. However, advice from the UK national screening committee—the expert group that advises Ministers on all aspects of screening—suggested that the evidence did not demonstrate that screening would provide any hearing-related improvement in quality of life in comparison with the identification of hearing loss in other ways.

That is different from screening for newborn children—I have seen some of that work in action. I went out to Hounslow, where I will always recall the three-week-old baby who was cradled in her mother’s arms and being tested by the lady responsible, who was watching for the brainwave patterns. The hearing test could only be done when the baby was asleep and the brainwave patterns were absolutely level. The care and consideration taken with that baby was really quite remarkable. We should be proud that that programme exists. Seeing such things in action—even in one individual example—really cuts through all the statistics. In that instance, screening is the right response.

There are, however, a number of other policy solutions under active consideration by NHS England and CCGs, such as better training as part of the ongoing work to support the uptake and dissemination of the action plan and framework, including better training for GPs to identify and improve the response to hearing loss in adults. That will feed into what we discussed earlier about better recognition at an earlier stage.

The hon. Member for Poplar and Limehouse raised the subject of BSL and sign language in general. My hope is that access to personalised information in appropriate formats and support for communication will improve because of the new accessible information standard, which is mandatory. All organisations that provide NHS or publicly funded adult social care must implement and conform to the standard by 31 July this year. More generally, responses to the Department for Work and Pensions review of the market for BSL and communication support for people who are deaf, deaf-blind or have hearing loss are currently being analysed, and the results will be reported this autumn. From my previous work on disability, I know how important British sign language is. It is a culture and a language that is capable of expression, of drama, of comedy and of all sorts of things. We discussed earlier the life and culture of people who are hard of hearing or deaf, which is very important, and we look forward to the conclusions of that DWP review.

NHS England, along with patient groups, charities, CCGs, providers and professional groups, set out to respond to some of the challenges I have mentioned with the forthcoming commissioning framework. The framework ensures that first and foremost, CCGs have a clear guide to what good commissioning looks like. It is designed to ensure that CCGs are properly supported not only to provide more consistent, high-quality integrated
care to meet the needs of local people, but to make informed decisions about what represents good value for the populations they serve. A golden thread throughout the publication is action to be taken to help reduce inequalities in access and outcomes. The framework is a real attempt to deal with the issues of variation that we come across.

The framework underscores the value of co-ordination and integration. In a climate of financial constraint, improved understanding of prevention means that effective measures can be taken to improve services and save money. The framework encourages CCGs to utilise outcome-based commissioning to incentivise change and advocates improving patient access to and choice of services. Implementing contracting, pay and monitoring outcomes and referrals from all providers should ensure fair choice and drive up quality. That shows that we are moving in the right direction, but a lot more work is needed to encourage action and promote the change we all want to see across the public sector and across the age range.

System partners have shown demonstrable commitment to working together to ensure that progress is made to achieve the goals set out in the action plan. Although there is no one perfect model, NHS England and the sector need to continue to collaborate to support CCGs to improve value, innovate and build sustainable services. I also think that lessons can be learned and applied across the system from the valuable work of NHS England and system partners.

It is clear, as this debate has demonstrated, that there are passionate advocates out there who are eager to achieve the improvements in outcomes, experience and services that we all want to see. The publication of the framework provides us with the opportunity and the incentive for action. We all need to be on the front foot on prevention. We will only achieve gains through concerted action across all the partners in the hearing landscape.

I will continue to play my part in holding system partners to account for commitments made. Collaboration and partnership working at national, regional and local level are key, and the work of colleagues here in the House and the all-party group in ensuring that interests are constantly represented here will also be of great importance. On behalf of the Department, I am very grateful to the Backbench Business Committee and to colleagues for raising such an important subject and contributing to the debate.

3.53 pm

Jim Fitzpatrick: Thank you for the opportunity to make a couple of closing comments, Ms Vaz. I am grateful to the shadow Health Secretary, my hon. Friend the Member for Hackney North and Stoke Newington (Ms Abbott), for being here today and for her contribution. I especially thank my hon. Friend the Member for Nottingham South (Lilian Greenwood) for her contribution. She demonstrated her complete awareness of these matters and her long-standing commitment to campaigning on them in her constituency and here in Parliament, as a former leader of the all-party group on deafness.

I thank the Minister not only for his response and the reassurances he gave but for the obvious personal commitment he brings to the role he now commands. He is held in high regard by many of us. We look forward to working with him, supporting him and encouraging him in his continued endeavours in this area. I am grateful for the opportunity to have this debate.

Question put and agreed to.

Resolved,

That this House has considered NHS England’s Action Plan on Hearing Loss and the adult hearing service commissioning framework.

3.55 pm

Sitting adjourned.
Westminster Hall

Monday 4 July 2016

[Ms Karen Buck in the Chair]

**EBacc: Expressive Arts Subjects**

4.30 pm

Catherine McKinnell (Newcastle upon Tyne North) (Lab): I beg to move,

That this House has considered e-petition 111731 relating to expressive arts subjects and the EBacc.

It is a great pleasure to serve under your chairmanship, Ms Buck. As a member of the Petitions Committee and the Select Committee on Education, I am delighted to introduce the debate. The title of the petition, which was signed by more than 102,000 people, is “Include expressive arts subjects in the Ebacc”. It reads:

“The English Baccalaureate, or Ebacc, is a standard which maintains that English, maths, science, a language and a humanity define a good education. The exclusion of art, music, drama and other expressive subjects is limiting, short sighted and cruel. Creativity must be at the heart of our schools.”

Sec of State for Education, Nicky Morgan, states that she wants 90% of sixteen year olds to have The Ebacc. Numeracy and literacy are certainly key to future success in life, but it is wrong to say that the arts are not worthy of inclusion in a measure used to grade a school’s success. Our children deserve a broad, creative fulfilment they bring to children and adults in all walks of life across the UK. Of course, the opportunity of a creative education must be available to all—a view that appeared to be shared by the Chancellor of the Exchequer when he wrote earlier this year:

“everyone—no matter who they are or where they come from—should have an equal opportunity to fulfill their creative potential.”

In a speech launching the Government’s life chances strategy in January, the Prime Minister pledged that “culture should never be a privilege; it is a birthright that belongs to us all. But the truth is there are too many young people in Britain who are culturally disenfranchised. And if you believe in publicly funded arts and culture—as I passionately do—then you must also believe in equality of access, attracting all and welcoming all.”

The White Paper published in March by the Department for Culture, Media and Sport could not have been clearer, making a commitment that “All state-funded schools must provide a broad and balanced curriculum that promotes the spiritual, moral, cultural, mental and physical development of pupils. Experiencing and understanding culture is integral to education. Knowledge of great works of art, great music, great literature and great plays, and of their creators, is an important part of every child’s education. So too is being taught to play a musical instrument, to draw, paint and make things, to dance and to act. These can all lead to lifelong passions and can open doors to careers in the cultural and creative sectors and elsewhere. Without this knowledge and these skills, many children from disadvantaged backgrounds are excluded from meaningful engagement with their culture and heritage.”

Michelle Donelan (Chippenham) (Con): Does the hon. Lady accept that those subjects are widely available at the moment, with the EBacc in place, and that the premise of the EBacc is to provide a core of academically rigorous subjects? Perhaps our attention should be on the evolution of the EBacc to include such subjects as design and technology, and on enhancing students’ career potential, rather than on including in it every subject currently offered in the curriculum.

Catherine McKinnell: It is helpful that the hon. Lady suggests a solution to the concerns I have outlined. The reality for the organisations, teachers and schools that have expressed concern to me in great numbers is that the take-up of the subjects she mentions is already starting to decline, which is of huge concern. I appreciate that she is trying to make constructive comments, but she cannot wipe out the fact that the concerns are real and must be addressed. I hope that the Minister is listening not only to me but to constructive solutions that may be offered.

Mr David Lammy (Tottenham) (Lab): Does my hon. Friend agree that it is incredibly insulting to the country’s music and art teachers to give the impression that the subjects in question are not academically rigorous? Does she know how hard it is to pass those subjects, partly from personal experience and that of people close to me, but partly from the people, including teachers, I spoke to ahead the debate. Frankly, they feel insulted by the tone of the Government’s proposals.

We are all aware that the education sector is going through a period of significant and seemingly never-ending change and reform, of which the EBacc is a part. It was
initially planned as a formal certificate, but that idea was dropped. It was first applied by the coalition Government in 2010 as a “headline measure of secondary school performance”. It judges all schools according to the number of pupils who have achieved grades A* to C across English language and literature, maths, double science, history or geography and a language—subjects that, when studied at A-level, are defined by the Russell Group of universities as “facilitating”. In other words, they are the A-levels most commonly required for entry to the UK’s leading universities, which are attended by 11% of young people.

Following a consultation in November 2015, the Government now want at least 90% of students in mainstream secondary schools to be entered for the EBacc by 2020, thereby taking up at least seven of those students’ GCSE options. The Bacc for the Future campaign has raised concerns that, given that the average number of students’ GCSE options in the UK is 8.1, “a compulsory EBacc will leave little, if any, room for rigorous, challenging creative subjects which have been approved by the Government’s own Wolf Review of vocational education.”

Nobody doubts the importance of young people’s gaining a solid foundation in English, maths and science; that is why those subjects have always been compulsory. However, the petition objects to the exclusion from the EBacc all creative, artistic and technical subjects, which sends a clear message to young people, parents, teachers, school leaders and society at large about the value that the Government place on subjects that help to create expressive, communicative, self-confident and well-rounded human beings. For many young people, those may be the only subjects at which they excel.

Tristram Hunt (Stoke-on-Trent Central) (Lab): My hon. Friend is making a superb speech. Is it not ironic that what we need for the economy of the future and the digital revolution of the future is the breaking down of rather traditional arts and science silos? Creative subjects provide exactly the kind of skills and training that will let young people succeed. We would be mad to strip those subjects out of our education system, not least because we are rather good at them.

Catherine McKinnell: My hon. Friend makes a valid and important point.

The question that has been asked over and over again is: why? I hope the Minister will answer that question today. Why would the Government want to limit today’s EBacc all creative, artistic and technical subjects, which send a clear message to young people, parents, teachers, school leaders and society at large about the value that the Government place on subjects that help to create expressive, communicative, self-confident and well-rounded human beings. For many young people, those may be the only subjects at which they excel.

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The Schools Minister has repeatedly claimed that there is no evidence the EBacc is having a negative impact on the arts, substantiating that with the argument that in the past five years there has been a 3% increase in the uptake of at least one arts subject. We may well hear that again in his response today, but the Bacc for the Future campaign has stated that the figures are flawed as they omit various BTEC qualifications, include early entry AS-levels and neglect design and technology, in which exam entries dropped by a staggering 19,000 last year. Indeed, new figures produced just last month show that entries for GCSEs in arts subjects have fallen by 46,000 this year compared with last year—a loss five
times the one in 2015, when candidate numbers for arts subjects fell by 9,000. The ArtsProfessional website reported:

“The falling take-up of arts GCSEs has already started to spill over into A levels. There were 4,300 fewer candidates for A level arts subjects this year—a decline three times bigger than the 1,500 recorded in 2015.”

Of most concern is the claim by the Creative Industries Federation that schools with a high proportion of pupils eligible for free school meals have been more than twice as likely to withdraw arts subjects as those with a low proportion. So much for access to cultural education being a matter of social justice. Of course, that decline is taking place even before the EBacc has become compulsory in our schools. The chief executive of the Creative Industries Federation said that the decline is “alarming and further confirms a longstanding trend that EBacc is clearly exacerbating.”

He went on to comment:

“For a sector already suffering skills shortages, undervaluing and excluding creative subjects has major ramifications. The impact will not only be felt by the creative economy but also by other sectors, such as engineering, that desperately need some of the same skills. Although it is possible to take up jobs in our sector without exam results in creative subjects, it is much harder and potentially more expensive to do so, which obviously further diminishes the chances for young people from more disadvantaged backgrounds. There are many people who are not academic in a traditional sense and who would struggle with the EBacc yet are thriving and excelling today in careers from fashion to video games. If creative subjects are increasingly painted as an ‘optional extra’ to a more traditional core curriculum, these are some of the people who could be lost in future.”

As the Chancellor highlighted in his 2015 autumn statement,

“Britain is not just brilliant at science; it is brilliant at culture too. One of the best investments we can make as a nation is in our extraordinary arts, museums, heritage, media and sport.”—[Official Report, 25 November 2015; Vol. 602, c. 1368.]

I agree. The Government’s own figures show that the creative industries are one of the fastest growing sectors in the UK economy, worth more than £84 billion a year or nearly £10 million an hour. According to the CBI, the creative industries employ some 2 million people, with around one in 11 jobs found in the creative economy. Critically, as the Creative Industries Federation highlights, those roles are broadly protected from automation.

This is an area in which Great Britain genuinely leads the world but one in which we have a significant skills shortage, so much so that a range of roles in the creative industries are included in the Home Office’s tier 2 visa shortage occupation list—for example, graphic designers, programmers, software developers, artists, producers, directors, dancers and skilled musicians. Nevertheless, this is the time when the Department for Education is determined to force schools down a path that will inevitably lead to even fewer British students taking up the subjects and developing the skills that the UK’s burgeoning creative industries desperately need. As has been made clear by Artists’ Union England—a relatively new trade union established by my constituent Theresa Easton—

“The new EBacc proposals will leave the creative sector without a future workforce.”

It is absolutely nonsensical.

Of particular concern is the evidence highlighted by the Creative Industries Federation’s higher and further education working group, which shows that many of the courses that need students to have studied art and design at school level also have high levels of students with special educational needs. The group cites remarks by the British Dyslexia Association that

“People with dyslexia are frequently successful in entrepreneurship, sales, art and design, entertainment, acting, engineering, architecture, I.T., computer animation, technical and practical trades and professions.”

It also cites the fact that more than 4,000 students at the University of the Arts London are disabled and/or dyslexic—24%, compared with just 4.7% at Cambridge University.

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): My hon. Friend is making an excellent introductory speech, which I congratulate her on. I am very pleased that she mentioned special educational needs and dyslexia. As she knows, my son Joseph, who is now 22, is severely dyslexic. He will graduate in the next few weeks from Teesside University with a degree in games art and design; I am thrilled. He could not read until the age of 14 and he would never have passed the EBacc, but he is creative. His brain works in a different way, and he was able to go on through equivalencies to now get a degree.

Catherine McKinnell: I thank my hon. Friend for that intervention, because I know that she not only cares passionately about how well her own son does and has done, but cares and campaigns passionately for all children with special educational needs. This is an issue that the Minister must sit up and take notice of because by insisting on the implementation of EBacc for all or almost all pupils, the Government seriously risk restricting the life chances and future career opportunities of those with special educational needs. Not only does that do those young people out of their potential creative futures, but it does our creative industries out of their special skills and contributions.

Finally, I want to touch on concerns that have been raised with me about the EBacc by Studio West—a studio school established in West Denton in my constituency in September 2014. As Studio West has highlighted, studio schools have been established to bridge the gap between the skills and knowledge that young people need for success and those that the current education system provides. By design, a studio school’s curriculum embraces enterprise initiatives, innovative project-based and work-related approaches to learning and an emphasis on employable skills. Studio West feels very strongly that the EBacc judgment made of all secondary schools is too restrictive if studio schools are to fully embrace their ethos.

Mr Gibb: The hon. Lady is making a very good speech, and I wanted to intervene in order to demonstrate that I am still listening to her wise words. The EBacc consultation makes the point that there is no proposal—certainly set out in the consultation—to include studio schools in the requirement for the EBacc.

Catherine McKinnell: I thank the Minister for that intervention because I have already written to him about this issue and have been awaiting a response.
I hope that we will receive a fuller response in his reply to the debate, or indeed in writing.

In conclusion, I introduced my remarks this afternoon by talking about the intrinsic value of the arts and arts education for individuals and wider society. Those points are echoed by Studio West in my constituency:

“Expressive arts subjects allow for intensive focus on essential transferable skills such as problem solving, working collaboratively, interpretive analysis, empathy, self-confidence, discipline, dedication and mastery, to name but a few.”

I was contacted by a large number of individuals and organisations ahead of this debate and I am conscious that I have not been able to mention them all; however, there is one that I want to make particular reference to in conclusion this afternoon. Last week, I received an email from Emma, an experienced secondary school teacher in West Yorkshire. Emma got in touch to ask me to raise her concerns about the EBacc not because I am her MP, but because her voice in Parliament was brutally taken away by the shocking death of our late friend and colleague, Jo Cox—sorry; it’s hard to speak about this—whom she had previously asked to attend this debate.

At a time when we know that there has been a significant increase in mental health issues in young people and at a time when we need more, not less, empathy, tolerance and co-operation in society, I strongly urge the Government to look again and consider the impact that the EBacc is having on the subjects that can help us to achieve that.

I should start by declaring a bit of an interest. I am the chair of the all-party group for music education, I am a former composer and musician, then a school teacher, studied at the Royal College of Music for five years. As a large number of individuals and organisations ahead of this debate and I am conscious that I have not been able to mention them all; however, there is one that I want to make particular reference to in conclusion this afternoon. Last week, I received an email from Emma, an experienced secondary school teacher in West Yorkshire. Emma got in touch to ask me to raise her concerns about the EBacc not because I am her MP, but because her voice in Parliament was brutally taken away by the shocking death of our late friend and colleague, Jo Cox—sorry; it’s hard to speak about this—whom she had previously asked to attend this debate.

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4.53 pm

David Warburton (Somerton and Frome) (Con): I congratulate the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) on her very powerful and meaningful speech. It is a great pleasure to serve under your chairmanship, Ms Buck, and to have the opportunity to speak on a subject that is very important to me.

I should start by declaring a bit of an interest. I am lucky enough to come from an arts background, having studied at the Royal College of Music for five years. As a former composer and musician, then a school teacher, and now vice-chair of the all-party group on music and chair of the all-party group for music education, I am extremely worried by the fivefold decline in the uptake of arts subjects at GCSE over the past year.

I share the belief often emphasised by the Minister for Schools, my hon. Friend the Member for Bognor Regis and Littlehampton (Mr Gibb), that academic rigour is essential for social justice—that academic learning and social justice are complementary—but it is important that this does not become a false debate with high academic achievement in core subjects on the one hand and championing of the arts on the other. Both are possible, and indeed both are necessary. Social justice and opportunity must be at the heart of our vision for education and the arts.

With the introduction of the EBacc, as we have heard, schools with a high proportion of free school meals have been more than twice as likely to withdraw arts subjects. That will only exacerbate an already yawning gap between the 50% of students at fee-paying schools who get music tuition and the 15% in state schools. Richard Morris of the Mayor’s Music Fund rightly described this as “perhaps the greatest single distinction in any aspect of independent/state educational provision.”

I am sure that Members from both sides of the House would want to see such damaging distinctions come to an end.

Mr Gibb: Again, I am listening very carefully but could my hon. Friend cite the proportion of pupils in independent schools who take the EBacc subjects?

David Warburton: I am afraid I do not have that figure to hand, although I am sure that the Minister can regale us with it. I am sure that he has it front of him and can come out with it later, and I look forward to that with great interest.

Tristram Hunt: The hon. Gentleman is making a very powerful point. Does he agree that for fee-paying schools that enjoy charitable status and do not pay business rates—receiving business rates relief based on it—sharing music facilities and music teachers might be one way to justify that charitable status?

David Warburton: I think that sharing music facilities and facilities generally is often a good way forward. That could certainly be considered, but schools need to work individually and to have the right facilities to look after their own pupils without having to look elsewhere—without having to run across the road and make sure that somebody else can help them out.

An EBacc that fails to make room for the arts can only entrench the inequality that I have described. Last week, I chaired a meeting of the all-party group for music education where we heard some very passionate views. We heard about a report from the charity Sound Connections, and Wired4Music, in which young people in London described the transformative impact of music education on their lives and careers. From the report, it is important to highlight the unanimity, strength of feeling and uneasy sense of shrinking opportunities for those in this generation, and succeeding generations, who might otherwise go on to careers in the creative industries.

I have to say, however, that the Government have made significant advances in supporting the arts. We have seen the first culture White Paper for 50 years, the Cultural Citizens Programme and the new heritage action zones. Alongside those headline initiatives, we have seen £15 million-worth of tax breaks for theatres this year and the welcome orchestra tax break, but widening participation in the arts must begin with education.

The debate this afternoon pivots on what a core curriculum is and whether an EBacc without the arts can ever be seen to provide that. The chief executive of the Incorporated Society of Musicians said in a recent speech that this

“Government certainly seems to understand the importance of culture and creativity”.

It is because I believe that to be true that I urge them either to include the arts within the EBacc or to define a more balanced curriculum.
I will not quote figures because we have all heard plenty of those, but in 2014 the creative industries grew at twice the rate of the UK economy as a whole. Governments should play their strongest hand. We lead the world in music and the creative industries, but it is not just the utilitarian argument that is important—the arts are also important in themselves. Of course, this is not easy to prove, or even to quantify, but the broadening effect of the arts is very real.

It is not easy to show that people benefit from exposure to the mechanics of the arts, whether that is an understanding of the beautiful mathematical imperatives in four-part harmony or the experience of seeing Brunelleschi’s dome for the first time, in ways that they can take forward into other aspects of their lives. However, research has been done and a highly comprehensive study by the German Socio-Economic Panel in 2013 said:

“Music improves cognitive and non-cognitive skills more than twice as much as sports”.

In addition, it found that children who take music lessons have

“better school grades and are more conscientious, open and ambitious.”

The study of music strengthens the motor cortex—although obviously not in every case. It improves working memory and long-term memory for visual stimuli. It helps people to manage anxiety and enhances self-confidence, self-esteem and social and personal skills. Studying music improves reading and verbal skills, and helps children to get good marks in exams. It raises IQ, encourages listening and helps children to learn languages more quickly. Some studies have even suggested that it slows the effects of ageing, just as being a Member of this House has precisely the opposite effect.

The moral effect of the arts is also critical. Only through art can we emerge from ourselves and know what another person sees. It is testimony to the unifying moral power of music that both the Taliban and ISIS, or Daesh, have banned it, just as one or two past Popes banned polyphony, then the interval of the tritone, and then excessive musical decoration.

I understand the pressure the Minister is under from all sides to add everything from Esperanto to den-building to the national curriculum. As an ex-teacher, I also understand that more of one subject must mean less of another. However, as the hon. Member for Newcastle upon Tyne North said, warm words butter no parsnips.

Michelle Donelan: Does my hon. Friend accept that adding creative subjects, such as art and music, would open up the options—for religious education, and for sport—and that the EBacc would be diluted more and more until it was dissolved? Is my hon. Friend in favour of the EBacc? I cannot see a way of having the cake and eating it.

David Warburton: My hon. Friend makes a good point. We can have a larger EBacc, we can manage our subjects more carefully, we can have an EBacc plus, as has been suggested, or we can have a more pick-and-mix, flexible and balanced approach, which might be more sensible. An EBacc without the arts is unthinkable. A core curriculum without the arts will not raise standards, but will lower them. Plato, 2,500 years ago, thought that music stood with arithmetic and geometry as a cornerstone of education, so who are we to chuck that away?

Depriving schoolchildren of the right to learn the pure language of the arts and music—the nuts and bolts—will deprive them of the right to understand, and depriving them of the right to understand is the unkindest and cruellest deprivation. It will confine them to a shrunken view of the world. I will go further. In so doing, we will reduce ourselves and our collective potential. A civilisation that denies its history and stops nurturing its cultural heritage is a dying civilisation. Civilisations die from self-doubt and dwindling confidence, not from enemy assault. Let us keep ourselves alive, play to our history, culture and strengths, and give everyone the chance to take part in that.

Several hon. Members rose—

Ms Karen Buck (in the Chair): We should be able comfortably to accommodate everyone who wants to speak if they speak for a maximum of 10 minutes.

5.4 pm

Fiona Mactaggart (Slough) (Lab): It is a pleasure to serve under your chairmanship, Ms Buck. I apologise to the Minister for not being able to stay to the end of the debate because I am committed to celebrating youth theatre at the National Theatre’s Connections festival this evening.

At the Barbican last week, I saw the first performance of Sir Peter Maxwell Davies’s last opera, “The Hogboon”. Like many of Max’s works, it used the talents of professional and amateur artists, and involved children as performers. Seeing a chorus of London schoolkids perform the role of the monster, Nuckelavee, was an artistic triumph and for the children also a great personal achievement. What did they learn? Not just singing, but self-confidence, teamwork, timing, communication with an audience and the value of practising, rehearsal and listening to others. That is what performance can bring to anyone’s life.

I will never forget a prisoner who had just been in a performance of “Chicago” at Bronzefield prison. He grabbed my collar and said: “I’ve been a thief for years, but doing this is the best thing that’s ever happened to me. I see how I can change now. Every prisoner should get a chance to do this.”

George Kirkham, who runs the Creative Academy in Slough, described to me a conversation he had had with a recruiter from one of the biggest national recruitment agencies who told him that they would rather employ a young person with a performing arts degree than with an economics degree because they know that performing arts students have transferable skills. Thirty-five years ago, Brigid Beattie, who took over failing secondary schools in Wandsworth that had just merged and that had a very poor reputation, told me: “Fiona, I will make this an excellent school and I will do it through the medium of drama.” At the time, I was sceptical, but within a very short time it had become a beacon school with outstanding results.
I started my remarks with these anecdotes to show what expressive arts education can instrumentally bring to a young person's education. We are in an era when claiming that experiencing creative arts subjects is valuable for its own sake, as the hon. Member for Somerton and Frome (David Warburton) rightly did, risks implying that absolute rigour and high standards of learning are not expected. Well, I do expect that. I was a teacher and I know that ensuring that young people experience creating and making things, as well as learning about what other people have made and developing skills such as numeracy, is vital to their emotional and intellectual development.

The problem at the heart of this debate is that we all know that what counts in public policy is what is measured and if what is measured is only EBacc subjects, only they will count. That is why, if we have a mandatory EBacc, we will betray the young people of Britain if it excludes all the expressive and creative arts.

Britain outperforms most countries in the number of Nobel prizes we have achieved. I am certain that is because our education system has traditionally included an emphasis on both science and creative subjects. If we abandon that combination, we will go backwards. It is disingenuous to claim, as the Secretary of State did in a recent speech, that the arts are "the birthright of every child" and that "a young person's education cannot be complete unless it includes the arts."

She assured the arts sector that there is nothing to fear from the English Baccalaureate. I am sure that was her hope, but the evidence shows that she is mistaken.

The introduction of the EBacc coincided with a relative fall in the number of qualified teachers employed in schools to teach such subjects and the number of teaching hours devoted to them. According to a survey by the National Society for Education in Art and Design, 44% of secondary teachers said less time was allocated to art in key stage 3 and 34% of those working with post-16s said that courses had been cut. We have heard from my hon. Friend the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) about the decline in the number of students taking GCSE subjects in art and design, media, music and so on. That fall coincides with a rise in the number of young people studying EBacc subjects. It is not an overall fall in GCSEs. The total number of GCSE entries in all subjects has increased this year by 0.3%, but over the same period the number of exam entries for arts subjects has fallen by 8%. The falling take-up of arts GCSEs is already spilling over into A-levels. There were 4,300 fewer candidates for A-level arts subjects this year—a decline three times bigger than the 1,500 recorded in 2015.

If the Government are determined to continue with an EBacc measure, it would be easy to fix the problem without in any way watering down the emphasis on the other subjects by simply requiring one creative arts subject within the EBacc portfolio. The qualities that almost all these creative subjects nurture are the qualities that companies know they need. The Government's emphasis on so-called hard subjects, on factual learning, is old-fashioned and fails to recognise or nurture one of the traditional strengths of British education—that creativity has always been at its core. That is a reason why we are a world leader in creative industries, yet the Government’s approach to school education is putting that at risk.

John Kampfner, who leads the Creative Industries Federation, called the decline in students taking GCSEs in creative subjects “alarming” and said that it “further confirms a longstanding trend that EBacc is clearly exacerbating...The impact will not only be felt by the creative economy but also by other sectors, such as engineering, that desperately need some of the same skills. Although it is possible to take up jobs in our sector without exam results in creative subjects, it is much harder and potentially more expensive...which obviously further diminishes the chances for young people from more disadvantaged backgrounds.”

He went further than that, but I want to deal with the point about disadvantaged backgrounds, because it is those young people who are losing out most. It is in their schools that there has been the fastest decline in qualified teacher numbers, while schools such as Eton, on the border of my constituency, still celebrate and develop excellent teaching in music, drama and art, as Tom Hiddleston, Harry Lloyd, Eddie Redmayne, Henry Faber, Harry Hadden-Paton, Dominic West, Damian Lewis and Hugh Laurie can all attest.

**Mr Gibb:** Can the right hon. Lady tell me what proportion of pupils at Eton study the EBacc combination of GCSEs?

**Fiona Mactaggart:** My point is not that young people should study these creative subjects instead of the EBacc, but that they should be part of the mandatory experience of young people, which is the case at Eton. Eton has brilliant drama, music and art education. The facilities are extraordinarily wonderful.

**Kerry McCarthy** (Bristol East) (Lab): Is it not likely that the sort of people who go to Eton and other public schools have the sort of cultural background whereby they get taken to the theatre, they have books at home and they are exposed to classical music? That is precisely the point; that is why it is so much more important to teach these subjects in the sort of schools that I have in my constituency, where people do not have that advantage.

**Fiona Mactaggart:** Absolutely. Actually, the previous theatre teacher at Eton said:

“For me the importance the work has here in the boys’ lives is the reason they do such good work afterwards. That importance arises from many things. One is that we don’t do drama just for its educational value. We do a play as a work of art, to be explored at its fullest.”

It is rare for children to have that experience of creating, of making a work of art. They can do it if they learn these expressive subjects. The problem is that this Government view them as an optional add-on. When I asked the Prime Minister about this issue and referred to his experience at Eton, he said:

“It is essential that we get more children learning the basic subjects and getting the basic qualifications. It is then more possible to put in place the arts, the dance and the drama that I want my children to enjoy when they go to their schools.”—[Official Report, 4 November 2015; Vol. 601, c. 962.]

I do not see it as a question of the basics and then these frilly add-ons. In my judgment, these subjects are as basic as every other subject in the EBacc. That is why so many people have signed this petition. It is not saying,
“Get rid of the EBacc.” It is saying, “Include expressive subjects in every child’s education, because if you fail to do that, you are letting them down.”

5.14 pm

Mr David Lammy (Tottenham) (Lab): I am grateful to have the opportunity to contribute to this debate. I will start on a personal note. Thirty-three years ago, in the wake of Aled Jones, who had just got to No. 1 with “Walking in the Air” and who sang in the choir at Bangor cathedral, some primary school teachers at a small school with an unfortunate name, Downhills, in Tottenham decided that a young black boy could be one of the first black cathedral choristers in the country. I wanted to contribute to this debate, despite all that is going on in our country and in this House at the moment, because I am clear that I would not not be here as a Member of Parliament were it not for that opportunity to go to one of the country’s best state—I emphasise “state”—cathedral schools, the King’s School in Peterborough, attached to Peterborough cathedral. There I was able to express myself in the context of a fantastic music education, but I also learned the rigours and discipline of music, which is why I take umbrage at the idea that the performing arts, music or drama—I will come on to that—can be sidelined as somehow less than, not as academic as and not as important as other subjects.

I challenge anyone who has got to grade 8 in any part of the musical repertoire to tell me that it is not fantastically hard and difficult to do. If we have a future king, Prince William, who can go to St Andrews and study art history, why are we suggesting that these disciplines should be denied to so many young people in our country? I am hugely concerned at the direction the Government have taken. It is very important to have had the petition and to be having this debate in the House at this time.

In the Government that I was part of as a Culture Minister, there were intense arguments about the place of the arts and the performing arts—music and drama—in the curriculum. The truth is that there were some serious turf wars between the Department for Culture, Media and Sport and the Department for Education, but fortunately we achieved great partnerships. We had something called Creative Partnerships—a fantastic scheme that got musicians, architects and performers of all kinds into schools. It was pioneering and much was learned from that scheme. Of course we had to go into the evidence-based arena and try to explain, defend and demonstrate the benefit, but it was a partnership between the DCMS and the Department for Education.

When we look at what is happening in the DCMS under this Government—the White Paper, policies on heritage and support for museums—we get the impression that that Department gets it. The problem is that the DCMS is losing out in the Whitehall turf war; the Department for Education is riding roughshod over it and saying, “No, we are utilitarian in this Department.” It is interesting because it is almost as though, in order to compete with China and India, we have to ensure that the basics—maths, English and science—are there in the curriculum to the exclusion of other subjects, yet ironically, when we speak to leaders in those countries, there is something missing, and that missing component is the British creativity that means that we have one of the most important creative economies in the world, and the intangible question of how we achieve it. We achieve it because of those fantastic—now I am going to get emotional, thinking of the music teachers who got me here—music, drama and performing arts teachers across our country who are really bringing that into the curriculum. For so many young people, particularly those from more deprived areas, that is sometimes their way through to other parts of the curriculum that feel remote.

I grew up in a home with only two sets of books. We had the “Encyclopedia Britannica”, which took a long time for my mother to buy, on loan, and Mills and Boon. It was my ability to excel at music that enabled me to access other parts of the curriculum. Time after time—we learned this through Creative Partnerships, the scheme we set up in those years of Tony Blair’s Government—the professionals say that that is how it works, so I look forward to hearing the Minister’s contribution.

There is quite a lot of evidence to suggest that 40% of the jobs that young people who are in primary school today will do when they grow up have not yet been invented, and those jobs will require a degree of creativity. Many of us have an iPhone. The iPhone is nothing as technology alone. Design is at its heart, but those disciplines are dropping out of the curriculum. Design and technology is really losing out in this new horizon.

I recommend the Diamond Fund for Choristers to the Minister, if he does not already know about it. Cathedrals are not struggling to recruit young people from all sorts of backgrounds—things have moved on a lot since I was one of the first working-class choristers, and there are now many across the country—but they do need support, so the Diamond Fund for Choristers has been launched. It is hugely important. Many cathedrals are concerned about what is happening with music.

The Ebacc decision is compounding cuts to local authority support for music across schools. With many schools becoming academies and the Department placing emphasis solely on the more utilitarian subjects, there is not only a collapse because of the EBacc; local authorities are moving away from funding music, local museums and local arts as well.

Mr Gibb: The right hon. Gentleman talks about music collapsing. In 2011-12, there were 40,761 entries for GCSE music. That went up to 41,000 and something the following year, then to 42,400, and then, in 2014-15, to 43,654 entries.

Mr Lammy: I know the figures game, as I have sat where the Minister is. When he replies to the debate, will he break those figures down into state schools, academies and private schools? If he does, I think we will find that the pattern is very different indeed.

Margaret Greenwood (Wirral West) (Lab): Will the Minister also inform us what has happened to the provision of individual music lessons for pupils in Sefton?

Mr Lammy: My hon. Friend is right. I hope that the Minister comes to that in his round-up, and perhaps he will also talk about Tottenham.

Graham Stuart (Beverley and Holderness) (Con): The right hon. Gentleman is making an impassioned speech on behalf of the creative arts, but I want to challenge
More and more, we see that the creative arts actually contribute. One name that should be mentioned is Professor Brian Cox, a physicist who is also a musician. The right hon. Gentleman has mentioned a lot of fantastic contributions. When I was an Arts Minister, I gave a speech at the Science Museum on the importance of arts and the relationship between arts and science.

Mr Lammy: I do not want to get into the “either/or” debate as it is not helpful. We could also have a discussion in this House—I would certainly be back for this—on the importance of religious studies education. I know some colleagues who would come to that debate as well.

It is depressingly that we are having this argument in the country of Shakespeare, the Beatles, so many wonderful actors who pick up awards internationally and domestically every single year, the west-end theatres, and some of the world’s best musicals. I was Minister for Higher Education and I remember that successive Governments made some very poor decisions which resulted in a huge diminution in language learning. There has just been a big national debate on the importance of Europe; the potential for exchanges like those that people of a certain age in this room may have had with young people in Germany and France has been diminished. This debate is so important because there is a sense, in the petition and in the House, that in this fundamental area of our lives, we are taking the wrong course.

Carol Monaghan (Glasgow North West) (SNP): The right hon. Gentleman has mentioned a lot of fantastic contributions. One name that should be mentioned is Professor Brian Cox, a physicist who is also a musician. More and more, we see that the creative arts actually help to fuel creativity in other areas such as science.

Mr Lammy: The hon. Lady is right. Famous scientists say the same thing. When I was an Arts Minister, I gave a speech at the Science Museum on the importance of arts and the relationship between arts and science.

Our debate today is being had in the field of performing arts and is live in universities. I was recently at the London College of Fashion, which with Goldsmiths and all the other art colleges is asking, “Where are the working-class students?” They have disappeared from the system. Of course, they are concerned about fees and the way in which we are forcing young people to make decisions based solely on how much they will earn when they leave education. Excluding expressive arts subjects from the EBacc will compound the problem.

If we want to see the multi-layered complexity of our country played out on our screens, in our music halls and in the charts in the years ahead, it is important that the Minister recognises what he is saying. Members are saying. Rather than use statistics selectively to defend his corner, he must recognise that people have taken the time to sign the petition and to come here this afternoon because there is a profound problem with the direction that the Government are taking.

5.27 pm

Marion Fellows (Motherwell and Wishaw) (SNP): It is a pleasure to serve under your chairmanship, Ms Buck. I thank the hon. Member for Newcastle upon Tyne North (Catherine McKinnell), who is my colleague on the Education Committee. I hope that the Minister takes on board all the wonderful comments and expressions that have been made this afternoon, and recognises the number of people who are listening to the debate—even listening to a Scotswoman, who has no business, some people would say, speaking on English education matters. However, I am a Member of this House.

As a member of the Education Committee, I am privileged to have contact with many people in the field of education. Although many, including Government Ministers, want only what they believe is best for school pupils, I inherently believe that the restricted EBacc system in England does not serve all pupils well. Were I English—and I am not—I could not support the Government’s proposal to make the EBacc, without the inclusion of expressive arts, a compulsory measure for all schools.

The root of the word “education” shows that it means “to be drawn forth.” I believe that that is what education is about. It is at its best when it draws forth from pupils what is inherently there, and enables them to progress and shine in areas that interest and attract them so that we produce well-rounded individuals who are able to take their place and contribute to society as a whole. Of course pupils should have a knowledge of science, technology, engineering and maths, and no one will benefit if they cannot read fluently or do not have a knowledge of the world around them. Tim Peake’s successful space mission has awakened an interest in science subjects across the UK, and many pupils are now enthused and attracted to science matters as never before. A knowledge of the history or geography of our countries in the UK is equally important, but such knowledge is sadly undermined if we do not understand the culture, music and drama that enrich all our histories.

Like others who have spoken in this debate, I have received a briefing from the Royal Shakespeare Company highlighting its good work in bringing Shakespeare to schools across England at all levels. The RSC makes Shakespeare come alive for students, which can lead to an enriching and positive life experience. Art and music can benefit education by helping young people to understand and express themselves in a variety of ways that improve their self-worth and learning. By focusing on English, mathematics, history or geography, sciences and a language—all worthy subjects—many pupils face not achieving an understanding of where they come from or the ability to express themselves in a different way.

Since I was elected to this place and became a member of the Education Committee, I have been struck by the Government’s attitude towards education. As an international observer on the Committee, I worry about what I perceive as a drive to turn education into a tool to turn masses of children into the workers of tomorrow. Although a school education should lead to a meaningful destination, into either further or higher education or a job, the state should not simply see schools as places that benefit businesses by churning out the workers of the future. As Sir Michael Wilshaw, the present chief inspector of schools and head of Ofsted, has said:
“the proposed changes may cause a problem for some students and I can think of youngsters who would have been better suited to English, Maths and Science alongside a range of vocational subjects.”

I would include expressive arts in that list. There is a danger that we will exclude huge numbers of children from an education in the expressive arts by focusing on what is seen by some as more “useful” or “academic” subjects.

The creative industries now account for one in 11 jobs, and the sector is growing. By restricting pupils’ access to the expressive arts by excluding these subjects from the EBacc, we deprive young people of an enriching experience for them and for society as a whole. Arts Council England wholly supports the creative arts being part of the EBacc, as does the CBI, which is looking for creative people. As has been often stated in this debate, the creative industries are a growing sector of business across the United Kingdom.

In Scotland we have always had a wide-ranging education system that is much more tailored to children’s interests and abilities. The introduction of the curriculum for excellence has continued that approach. The Scottish Government’s creative learning plan states:

“We know that creativity is vital in the world of work, with greater opportunities for those who bring a creative approach. The country as a whole stands to benefit significantly from the great wealth of creative talent that our people can bring to bear.”

Expressive arts courses in the curriculum for excellence include art and design, dance, drama and music. The expressive arts can help learners to develop their knowledge, understanding and appreciation of contemporary and historical arts within their own communities in Scotland and beyond. Given Scotland’s vast cultural centre, it is hugely important for children to have an opportunity to learn the expressive arts, which have a huge impact on our economy. Why should children in the rest of the United Kingdom not also have such opportunities?

5.34 pm

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): It is a true delight to serve under your chairmanship, Ms Buck. I welcome this important debate. As chair of the all-party parliamentary group on art, craft and design in education, I wish to make a cross-party case for promoting the creative arts in our schools. I invite other Members present to join our all-party group, if they so desire. We regularly engage with teachers, academics and cultural providers, a number of whom are in the Public Gallery—I thank them for being here. We engage with people from across the country, and most importantly, we engage with young people who wish to see a strengthened art offer in our schools.

I also welcome that a number of my constituents supported the EBacc petition—many of them will be art teachers who are concerned for the future of their subject, about which they are so passionate—and a similar number signed the petition on performing arts subjects at GCSE and A-level.

As we have heard, creativity is vital to the wellbeing of our society, and all of these subjects provide a space for young people to push boundaries, widen their horizons and explore what it means to be human. Only last week I went to the Lyric theatre in Hammersmith to watch the performance of “Treasure Island” by the Federation of Westminster Special Schools. The show was directed by James Rigby, and I saw all the work put in by Paul Morrow, the federation’s lead practitioner of creative arts, and by all the schools’ teachers, staff and pupils in collaboration with the staff of the Lyric theatre—I especially mention John Glancy, the producer. They all came together to put on a wonderful production that showed exactly what allowing children to flourish in the arts can do for their lives and their self-esteem.

Experiencing and engaging in the arts not only helps to nurture quantifiable positives; we can also see tangible evidence of the positive contribution that art education can make to our country. Our creative industries contributed an estimated £84.1 billion to our economy last year, and it is important to remember that our creative industries can thrive even more if we promote high-quality and inclusive art education in our schools to help feed the skills supply for the market. Sadly, the Government’s curriculum reforms, such as the EBacc, have had unintended consequences for creativity in the curriculum. The Department for Education has made the case that its reforms will not stop pupils taking additional non-EBacc subjects, and it claims that uptake in arts subjects has risen because the proportion of pupils with at least one arts GCSE has increased since 2010.

Once again, I acknowledge and thank the Minister for attending a meeting of the all-party group a few months ago. He listened to an extensive presentation on the latest National Society for Education in Art and Design survey, which highlighted the effect of the unintended consequences, and he answered questions from the gathered representatives, artists and teachers for some two hours. I know that must have had an effect on him, and I urge him again to take a closer look at the figures. The EBacc’s narrow-minded approach and prescriptive nature is sadly leaving very little space for creative subjects to flourish.

Mims Davies (Eastleigh) (Con): I am interested in the hon. Lady’s speech. Does she agree that part of the problem of providing our children with the opportunity to be creative is the pressure to remain inside the classroom? Pupils have to leave the safe space of the classroom to experience the creative realms in the community.

Mrs Hodgson: The hon. Lady makes a good point. Trips to theatres, cultural sites and museums are becoming increasingly difficult for various reasons, including safeguarding and cost—even though museums are free to visit, the children have to get there, which takes time and organisation. As my hon. Friend the Member for Bristol East (Kerry McCarthy) said earlier, such trips will be lacking from some of the children’s daily lives, weekends and holidays, so it is important that that shortfall is made up for in school. For more privileged children, no matter whether they go to state or independent schools, it is just a normal part of their existence. I am grateful to my hon. Friend for her intervention.

In May 2014, the Cultural Learning Alliance found that the number of hours of art teaching and of art teachers had fallen in secondary schools since 2010. Design and technology faced the greatest decline, with 11% fewer teachers and less teaching time. The number of art and design teachers had fallen by 4% and the number of teaching hours by 6%, even though the number of pupils in secondary schools has fallen by about 2%. It is clear that provision of arts subjects is declining disproportionately.
As I mentioned earlier, the National Society for Education in Art and Design conducted a survey of teachers working across England in the academic year 2015-16 on the impact of Government policy on art, craft and design education over the past five years. The study found that 33% of art and design teachers at key stage 4, across all sectors, reported a reduction in time dedicated to their subject over the past five years. That figure rises to 44% in responses from academies. Of those teachers, 93% said that the EBacc was directly reducing opportunities to select art and design at GCSE level.

The reduction in provision for vocational creative qualifications is even more illuminating and concerning. Between 2011 and 2015, completions of art, craft and design level 2 vocational qualifications decreased by 43%. Although we are discussing the EBacc, which is only a performance measure at secondary school, it is having clear ramifications for other stages of young people’s education. Figures from the Cultural Learning Alliance show that between 2010 and 2015, dance AS-levels have declined by 24% and dance A-levels have declined by 17%.

As chair of the all-party parliamentary group on art, craft and design in education, I have heard anecdotally that primary schools are less free to dedicate time to creative education due to unprecedented pressure on the three R’s—reading, writing and arithmetic, which we all agree are extremely important. As the hon. Member for Somerton and Frome (David Warburton) and my right hon. Friend the Member for Tottenham (Mr Lammy) said, it should not be a case of either/or. Both are vital.

Secondary school teachers now report a fall in artistic skills and confidence when pupils arrive in year 7. Sadly, the ramifications of the curriculum changes are that secondary schools are putting less time and fewer resources into creative education in an understandable bid to climb the league tables. It is having a knock-on effect on other parts of the education pipeline. It means that pupils are being denied the opportunity to develop creative cognitive skills that are useful in other subjects, such as maths or science, and may become less confident and able to choose or pursue artistic GCSEs and A-levels.

A broad and rounded education is paramount to skilling our young people to enter the world of work in the 21st century. An art education can be vital to doing so, but if the Government insist on keeping the EBacc as a performance measure, in order not to weaken arts provision in our schools even further, the only way to maintain quality creative education is to include the creative arts in the EBacc. Excluding the arts subjects from the EBacc—

Mr Gibb: Which particular creative arts subject does the hon. Lady want to make compulsory to 16?

Mrs Hodgson: It could be left to the young person to choose, as with most subjects. We do not tell young people which language they must study, or which humanity. Let the young person choose; just put a list of creative arts there.

By excluding arts subjects from the EBacc, the Government have told our students that those subjects are not important and are a waste of their time and talent. The situation is simply not good enough. We need to be serious about providing a creative education that ensures that young people from ordinary backgrounds, as others have said, have opportunities to develop their skills so that they can become the next world-famous artist filling art galleries around the world, the next global superstar or actor packing out arenas or theatres or—I must declare an interest again—the next big games artist creating the next global game. The UK has world-leading companies in the games industry.

We should not limit young people’s life chances in this way. We need a forward-looking curriculum that provides a truly rounded education, remembering that subjects do not stand alone. Withdrawing opportunities from young people’s lives to express themselves creatively will not only ruin their chance to broaden their horizons and their understanding of what drives us as humans—our creativity—but affect the fledgling sectors that rely heavily on our nurture of the skills needed to make them soar.

Our human creativity is boundless, and studying creative subjects can harness it. That is why it is important that we ensure that whether or not the EBacc remains, the creative subjects have a place in our curriculum and do not face further and continual diminution by Government reforms. The arts are what we all do in our spare time, in one form or another. Why? They make our hearts soar. We are creative and artistic beings. Since the first caveman drew a buffalo on the first cave wall and danced around the fire singing, the arts have been how we express ourselves. They are intrinsic to being human. I ask the Minister: please do not make our education system a cultural desert for our children, as I fear the unintended consequences.

5.46 pm

Judith Cummins (Bradford South) (Lab): It is a pleasure to serve under your chairmanship, Ms Buck. I thank my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) for securing this important debate.

Educational improvement is an issue close to my heart, as my constituency is among the worst performing educationally in the UK. When I speak about educational attainment, I cite two simple facts, without fail, that speak more than any other about what an uphill struggle my constituents face in remaining competitive in this increasingly fast-moving globalised world. First, in the league table measuring percentage of individuals with level 4 qualifications or higher, out of 650 constituencies in the UK, my constituency appears 609th. Secondly, when measuring those without any qualifications whatever, Bradford South comes in at 74th.

The task is stark. In simple terms, too few of my constituents boast the higher-level qualifications that they need to access professional and technical careers in the modern economy. To compound the problem, too many are making their way with no qualifications at all, destined for a working life in low-skilled roles typically marked by insecurity, low pay, and little to no opportunity for career progression. To face a fighting chance of accessing and forging successful careers in today’s economy, my constituents have to be better skilled with more qualifications under their belts and, just as importantly, their skills and qualifications must be aligned with today’s new industries.
These new industries, which increasingly drive economic growth, demand a highly skilled and creative workforce. Often they occur in the virtual world, facilitated through computers and sophisticated software—the knowledge economy in its rawest form. Front and centre among such new industries are those falling under the creative industries banner. To our credit, the UK’s creative industries are undeniably world-leading and, astonishingly, contribute more than £76 billion to the UK economy. The sector creates more than one in 11 UK jobs. Yet these industries are afforded little recognition, either by design or as an unintended consequence, in the Government’s policy on the introduction of the EBacc. That is what I wish to address in my remarks. Will the EBacc help or hinder my constituents’ ability to attain both a broad and balanced education and the specific skills that are key to careers in the new creative industries?

On the previous coalition Government’s watch, the uptake of creative subjects in our schools fell by 14%, and our creative industries face a skills shortage. Now, with the EBacc, the current Government are finishing the job of all but destroying the arts, culture and creative learning in our schools. Chief among my reasons for saying so is that the Government’s stated policy on the EBacc is unsparingly prescriptive on subjects and will become all but compulsory for our schools.

Mr Gibb: I am grateful to the hon. Lady for allowing me to make an intervention. I just wanted to correct her hyperbole, because art and design entries in 2010-11 were 162,000 but by 2014-15 they had risen to 176,000; in music, as I have said before, the number of entries rose from 43,157 to 43,654 over the same period; and in the performing arts, the number of entries rose from 2,648 to 5,997 over the same period.

Judith Cummins: I thank the Minister for that intervention; obviously, he has his whole Department’s data at his fingertips. However, I will say that vocational arts qualifications and subjects have dropped.

Ministers’ ambition that 90% of 16-year-olds should take the full EBacc, alongside the Department for Education’s plan to make the EBacc a headline measure for accountability and to increase its prominence in Ofsted inspections, will effectively make the EBacc compulsory for secondary school pupils in England. The EBacc stipulates which subjects must be studied: maths; English literature; English language; double science; a language, ancient and/or modern; and history and/or geography. Where is the room for the new-found self-determination that apparently the brave new world of academisation is designed to offer localities? It is cast aside.

As a result of this prescriptiveness in the EBacc, there will be little or no scope for our children and young people to study creative subjects. Creative subjects are consigned by this new regime, wrongly, to a lesser category of subjects in which arts and creative learning are—by association—considered less worthy than other subjects.

I say to the Minister that that is wrong. Studying creative subjects is not only wholly meaningful and valuable to a broad and balanced education, but equally importantly creative subjects help to position our children and young people for future careers. The very subjects that are key to nurturing the skills critical to knowledge-intensive, highly skilled, well-paid creative industry careers are excluded from the EBacc. Jobs that are destined to become a cornerstone of our future economy are undervalued by the EBacc. That is shameful and short-sighted—negligent, even.

I urge this Government to reconsider their position, as they did with the forced academisation policy, and to do what is right for our future generations. There is no shame in rethinking: it is the mark of a mature democracy. The real shame would be for this Government to plough ahead with a widely discredited policy that is ill-considered to its core and rooted in an outdated educational view that promises to undermine our blossoming creative industries, which promise so much for my constituents and promise to deliver economic prosperity for this country in the coming years and decades.

5.52 pm

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): Thank you very much, Ms Buck, for calling me to speak, and I also thank the more than 100,000 teachers, parents, arts enthusiasts and many of my own constituents who signed this petition calling for the English Baccalaureate to include an expressive arts option.

There is an old adage used by the business community: “What gets measured, gets done”. Having served as a school governor myself, I remember all too well that key performance indicators, inspection frameworks and exam results inevitably influenced our resources and our priorities. So I agree with the central point made by my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) in opening this debate that excluding creative subjects from the EBacc will devalue and erode their place in our education system, and subsequently in our society.

The impact of that would be significant and detrimental. It would be detrimental in three main ways—to our economy, our wellbeing and our society. First, let us consider the economic case. As a resident of Greater Manchester, I vividly recall the excitement that all we felt as a city-region when it was announced that the BBC would be relocating to us, with its production facilities moving to MediaCity. I knew what a boost it would be to our growth, our productivity and our young people’s life chances. The BBC pledged to create a “world-class talent pool in the North” and in the decade that has followed it genuinely has.

As a result of that move, our schools now place real value on creative learning. Take my own local authority, Tameside, which recently partnered with the Lowry theatre and the National Theatre to introduce pupils to the acclaimed production of “War Horse”. The pupils were encouraged to create their own large-scale puppets, to write their own theatre scripts and ultimately to perform in their own productions. It was inspiring; no child involved in such a project will ever forget it.

The Greater Manchester skills strategy now rightly emphasises the skills required by our creative industries, and Manchester is not alone in doing that. Last week, as a member of the Business, Innovation and Skills Committee, I went on a trip to Soho. I stress that it was not for any personal pleasure; it was to visit some of our creative industries. The companies I saw included the BBH creative agency; Ridley Scott Associates, which is a production company; Smoke & Mirrors, which is a visual effects company, although it does so much more
than visual effects; and well-known names such as Google and YouTube, which continue to revolutionise media and creativity. These are exciting, visionary companies at the forefront of the creative industries, which are growth industries. It is clear to me that for the sake of the UK’s economic advantage, our young people need more—not fewer—opportunities to achieve high-quality qualifications in these areas, as well as having a desire to work in them when they start their careers.

Secondly, let us consider the health benefits. Investment in the arts is known to improve wellbeing. Studying creative subjects boosts self-esteem, improves emotional intelligence, and reduces depression and anxiety. Many of these benefits were examined in the Government’s own paper, “Arts for health and wellbeing”, which was published earlier this year. I know from first-hand experience that my son Jack, who has autism, finds literacy and numeracy lessons emotionally exhausting, but he finds music classes exhilarating. So, the arts not only keep our NHS bills down, but they offer employers a labour market of happier, more confident and more emotionally resilient individuals.

Finally, we must consider the societal case for retaining an educational focus on the arts, because the arts enhance our regional identities as well as our economy. So much of what makes Greater Manchester great comes from our culture: from the Bridgewater Hall to the Stone Roses; from L.S. Lowry to Jeanette Winterson; from “Coronation Street” to last week’s wonderful street theatre commemorating the Somme; and our tremendous brass band festivals. Frankly, I could go on, Ms Buck, and fill the whole three hours, such is Manchester’s status as a cultural superpower.

Nationally, too, our arts and culture provide so much of what we celebrate about Britain and Britishness. I think I speak for everyone in Westminster Hall today when I say that none of us wish to keep the debate on the EU referendum going, but for me a particularly resonant case for remaining in the European Union was made not by an economist or a politician but by Axel Scheffler, the children’s illustrator, who said that without the freedoms provided by the EU he and Julia Donaldson would never have created “The Gruffalo”. What a loss that would have been to everyone in the European Union and beyond. Art breaks down demographic and socioeconomic divides; chip away at it and we chip away at so much of what I believe makes our society great.

In conclusion, I fear that the exclusion of arts subjects from the English Baccalaureate represents the latest misguided attack on our education system. It is an attempt to hark back to a bygone era of schooling, in which one size was expected to fit all and only one form of ability was valued, because employment options then were far narrower than—thankfully—they are today. For the sake of our economy, our wellbeing and our enriched society, we must not go down this road, and I move that we include expressive arts in the English Baccalaureate.

There have been some excellent speeches so far, and I agree with everyone who has made the case for the importance of arts education and for the need for us to continue to value that education. The narrowing of focus about what constitutes a valid qualification concerns me across the board. Obviously, we are here today to discuss arts education, but we have also seen, for example, life and environmental sciences being scrapped at GCSE and A-level. That seems nonsensical to me, because the best way of getting children interested in science is to link it to their natural environment, to issues such as climate change, and to what they see all around them. As we have heard, participation in creative subjects and gaining a qualification in them are immensely rewarding for pupils, particularly those pupils who struggle to excel academically. I was talking to a number of senior educationalists at the weekend; we are fortunate in Bristol that several of our new councillors have a background in education in cities such as Bristol and Leicester, which have high levels of deprivation and much ethnic diversity. They could not stress enough how important arts subjects are for some pupils who will never be very good at English, maths or other traditional subjects; the arts get those pupils through the doors of schools. Headteachers have said that to me as well.
skills that could lead to someone being one of the amazing cameramen who manage to film things that no one has ever caught on film before. Studying these subjects is not something that people do just for their self-fulfilment, although it is important on that front; it is very much part of getting a job and thriving when they leave school.

MPs have been sent a useful briefing by an organisation called MillionPlus for Thursday's Backbench Business debate on creative industries and the economy—we seem to have several debates about the creative sector this week. The briefing focuses on the role of universities in supporting the creative sector, pointing out, as has been said, that the sector is worth £84.1 billion to the UK economy and is one of its fastest growing areas, providing 2.8 million jobs. MillionPlus says that 70% of people in creative occupations are university educated, but that numbers

“studying many creative subjects at school and university are falling and the talent pool will inevitably decrease”.

It points to the potential sidelining of creative subjects in schools and expresses concern about the narrative that has built up that STEM subjects are somehow far more worthwhile than creative ones. Of course STEM subjects are important, of course our future economic growth depends on people wanting to go into those sectors as well, but one set of subjects should not exclude the other.

MillionPlus’s concern is that with the Department for Education promoting certain “facilitating” subjects that focus on STEM and not on creative courses at GCSE and A-level, as well as the introduction in 2016-17 of the new performance measures based on the eight key subjects, there is a risk that more and more schools will design their curriculums in a way that marginalises creative subjects, as many speakers have already mentioned. We cannot really blame schools if they feel compelled to go down that path. If they are going to be judged on key areas, they do not want to risk being left behind when compared with other schools.

I asked people earlier today on social media if they had any comments on the matter, and one of my constituents got in touch to say that her son was forced to drop all but one arts subject for year 10 because of the league tables for EBacc. She felt that that had very much held him back.

I want to mention two specific areas—I do not want to go over the ground that has already been covered. On music in schools, there is a lot of anecdotal evidence that suggests that in some areas fewer than 20% of schools offer music beyond key stage 3 and fewer than 5% offer it at sixth form. There was a meeting of all-party parliamentary groups last week, which I think the hon. Member for Somerton and Frome (David Warburton), a relatively near neighbour of mine, attended. I could not attend, but my researcher went along. The case was cited at that meeting of a west London borough where out of 15 state-funded schools with secondary age pupils all but one was rated good or outstanding but only six offered music post-key stage 3 and only two offered it post-key stage 4. Just last week, the music hub there learned that two of the secondary schools, both of which are academies, will offer no music at all from year 7, which is a sad state of affairs.

A representative from the music hub said that the impact of the EBacc changes is that music teachers are being used as flexible cover or are leaving and not being replaced, and that the result will be that music drops out of schools completely. That is also something that people involved in music education in Bristol have said to me—that with that casualisation of the profession we will end up losing the skills pool, because people simply cannot make a living from being brought in for the occasional lesson. The music hub representative at the meeting said that that means

“no music for prize day, school fairs, community events; no school musicals/Christmas concerts. What a joyless experience for our pupils, particularly when we remember that for many music is the only thing that will engage them and develop positive attitudes towards learning.”

Is it not rather disingenuous of the Government to say that music is a compulsory subject for five to 14-year-olds when academies do not have to follow the curriculum? How can the Minister provide real reassurance that music will not drop out of some schools entirely? I look forward to hearing from him on that point.

My last point is about social diversity in the arts, which we have already touched on. The actor Ralf Little, of “The Royle Family” fame, was reported in the papers today as saying that Caroline Aherne, who died at the weekend, showed

“that working-class people can be on TV, being ourselves”,

but that her death

“is a reminder how much she and her writing were, and still are, the exception.”

Julie Walters has said previously that she would not have a chance of making it as a working-class actor if she was starting out today, and there is an ongoing debate about why so many of the up-and-coming names on our stage and screen seem to have been educated at public schools. Last year, 92.1% of jobs in the creative industries were being done by people in the more advantaged socioeconomic groups, a figure that is up 20% since 2011. The well known actor James McAvoy has warned:

“I do care about a government that doesn’t prioritise arts in education. It is one of the first things that if you take it away, it’s a signal that the government doesn’t care about upward mobility any more. Art is one the first things you take away from society if you want to keep them down.”

Given how difficult it is for anyone from a normal background to break into acting these days, is the Minister concerned about the impact the changes might have on social mobility? Factors to consider are the enormous fees for drama and art schools, the need for financial support during the phase when someone is not sure whether they will break through and become a professional, the prevalence of unpaid internship, the effects of arts cuts on outreach programmes, and the increasing prevalence of low pay and no pay in the entertainment industries. I know that the previous Secretary of State for Culture, Media and Sport was very concerned about the need to increase diversity in the arts—I went with a delegation from Equity to meet him when I was chair of the all-party Performers’ Alliance group. It seems, however, that all the work he was looking to do on increasing diversity, which I hope his successor is now taking up, could be jeopardised if we do not get it right at school level.
Margaret Greenwood (Wirral West) (Lab): I want to say first that my sister is learning associate at the Unicorn theatre for children, which works with schoolchildren on drama projects.

I congratulate my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) on introducing this important debate, which goes to the heart of the question of what education is for. The English baccalaureate is a performance measure for schools, awarded when students secure a grade C or above at GCSE across a core of five academic subjects—English language, mathematics, history or geography, the sciences and a language—and English literature at any grade. That sets up a hierarchy of value and suggests that English literature is less important than the other core subjects—something that I as a former English teacher would hotly dispute—and that the expressive arts subjects of art, music, drama and dance are of secondary importance. I believe that nothing could be further from the truth.

Through the arts, pupils can explore ideas in the most imaginative of ways. They can develop their powers of verbal and non-verbal expression through physical theatre, painting, music and dance, and can gain an understanding of and a love for our rich cultural heritage. To deny the arts is to deny what it is to be human. Undermine the arts in the curriculum—for that is what the current EBacc does—and we see a spiral of decline in provision, with the expressive arts becoming something accessible only to those privileged children whose parents can afford to pay for after-school activities, with others being left behind.

The hierarchy of value has implications for school planning and resourcing. Entries for GCSEs in arts subjects have fallen by 46,000 this year according to new figures recording England’s exam entries for 2016. It is not difficult to understand that if fewer pupils are taking a subject, demand dwindles and music, drama and art departments will shed staff, damaging the morale of the staff who remain. The uptake of creative subjects fell by 14% from 2010 to 2015, and our creative industries are facing a skills shortage. The Government’s figures show that the creative industries represent more than 5% of the UK economy—more than £84 billion in 2014—and grew by almost 10% between 2013 and 2014. The sector employs almost 2 million people.

The issue is not only about what arts education can deliver to our economy. We are facing a mental health crisis among our young people. We should be providing them with an education that makes them feel integrated and whole and uses all parts of their creativity, and does not just focus on high academic achievement. We know that developing the arts and creativity is important for mental wellbeing. The stories of actors who have been saved by drama at a young age are legion. One such actor told me that theatre had saved him from getting involved in drugs as a teenager. He grew up on an estate riddled with crime, but there was something about theatrical expression that just clicked for him and gave him a way out. I recently met a senior police officer on Merseyside. He felt our education was too obsessed with high academic achievement and that our neglect of educational activities that develop the whole person is leading to real problems in our society, with young people who do not want to or are unable to follow an academic route not being given the opportunity to acquire a broad education that will help them develop as people. That is quite an indictment.

The Government seem to suggest that the English baccalaureate would not be to the detriment of the arts. In a response to a question from my hon. Friend the Member for West Ham (Lyn Brown) in 2013, they gave the reassuring words:

“The English Baccalaureate measure…leaves space for pupils to study creative subjects alongside a strong academic core. We believe good school leaders will continue to make time for artistic and cultural education.”—[Official Report, 25 April 2013; Vol. 561, c. 1174W]

In fact, it has not worked out that way. Taking the example of art and design, we find a worrying picture. A recent survey by the National Society for Education in Art and Design found that exclusion from the EBacc is leading arts and creative subjects in state schools to be less valued and accorded less time in the school curriculum, accentuating an existing trend.

At least a third and up to 44% of teacher responses to the survey indicated that the time allocated for art and design over all key stages had decreased in the last five years. For state schools, where respondents identified that there been a reduction of time allocated for art and design, 93% of those teachers agreed or strongly agreed that the EBacc had reduced opportunities for students to select their subjects. Those changes are in turn affecting the morale of the teachers of those subjects. Some 56% of respondents reported that the reduced profile and value given to their subject by the Government and by school management had contributed to teachers leaving or wanting to leave the profession. We cannot afford to let that happen.

There is a famous quote from Winston Churchill who, when asked to cut funding for the arts in favour of the war effort, said if not that, “then what are we fighting for?” That is a key point, because the arts are vital to our culture. We must guard and nourish them. If we do not have artistic expression, we cannot know ourselves and as people we are diminished. I urge the Minister to pause and take time out to reconsider the value of arts education.

Pupils from Overchurch Junior School in my constituency will be performing a production based on the works of William Shakespeare in conjunction with the Royal Shakespeare Company in 10 Downing Street this Wednesday. I urge the Minister to come along, take a fresh look and see at first hand just what drama and the expressive arts can give to our young people. The idea that there is no rigour comparable to that of the core EBacc subjects in mastering the major roles in the works of Shaw, Beckett or Shakespeare is demonstrably untrue.

Finally, the English baccalaureate has been developed as a performance measure for schools, not as the best possible curriculum offer we can provide for our young people. As such, it is distorting the balance of educational provision, and I urge the Minister to think again about the detrimental impact it is having on arts education in our country.

Mr Christopher Chope (in the Chair): I call Carol Monaghan.
Carol Monaghan (Glasgow North West) (SNP): Thank you, Mr Chope. You have confused me by not being Ms Buck, but I will carry on. As always in education debates, it is interesting to compare the picture in Scotland with that in England. As a former physics teacher, I never considered physics to be any more or less worthy than any other subject. It seems as though a hierarchy of subjects is developing.

At first glance, the principles behind the EBacc seem laudable enough—a solid grounding in core academic subjects makes sense—but the argument is about the key subjects. We are all individuals—not everyone can excel at maths and science. Likewise, arts subjects do not come easily to others, including me. Scotland had a similar system to the one we are discussing today, but forcing pupils to study subjects in which they have no interest is counterproductive and has implications for pupil behaviour, engagement and attainment.

Mr Gibb: Does that mean that if a pupil is not interested in maths, they should be able to drop it at any point?

Carol Monaghan: A pupil will need a certain grounding in maths, but how many pupils need to know how to do complex algebra or calculus? Basic numeracy and literacy are different from studying subjects in great detail.

Mr Gibb: I think the software-games industry would have a different view.

Carol Monaghan: In Scotland, we are looking at how we can prepare our students for the workplace. Calculus features in only a few, specific jobs, and we need to consider that.

In Scotland, the emphasis is no longer on a suite of specific subjects, but on personalisation and choice. That has led some students to specialise in science and technical subjects, while others enjoy success in music and the arts. Despite concerns that student numbers may drop in some subjects, the overall presentation numbers have not suffered, because students can take multiple subjects in a curricular area, such as three science subjects or three arts subjects. More importantly, pupil behaviour, engagement and attainment have all improved. Because students have opted into particular subjects, they are in charge of their own decisions and are full stakeholders. The current EBacc in England, rather than allowing students to flourish, is setting some up for failure. Surely a free choice of subjects gives students, especially those from a disadvantaged background, a far better chance of success.

The hon. Member for Newcastle upon Tyne North (Catherine McKinnell) opened the debate by talking about the wide range of organisations supporting the debate, how society is enriched by the arts, and the job opportunities available in the creative industry. The hon. Member for Somerton and Frome (Davido Warburton) talked about his experience as a musician and how music improved cognitive skills. I know something about that. In a very tough council estate in Raploch, Stirling, a music programme where primary school students were taught the fiddle saw attainment, attendance and general participation all increase as a result.

The right hon. Member for Slough (Fiona Mactaggart) talked about her experience as a teacher, the importance of science and the arts and how creativity is at the core of British education. I concur; as a science teacher, I know that science is not always considered to be a creative subject, but our top scientists all have creativity in common. The right hon. Member for Tottenham (Mr Lammy), who has left, gave us a wonderful vision of his angelic choirboy past. It was quite hard to imagine. He talked about academic rigour and the benefits of studying the arts for creativity. As a physicist, I know that of the courses that are now developing at universities, including the University of Edinburgh, physics and music is now a joint degree. It is good to see those two subjects coming together as well as the juxtaposition of the two.

My hon. Friend the Member for Motherwell and Wishaw (Marion Fellows) talked about the importance of developing well-rounded individuals who can contribute and enrich society. The hon. Member for Washington and Sunderland West (Mrs Hodgson) talked about the unintended consequences of the current EBacc and how it could prevent creativity from flourishing. The hon. Member for Bradford South (Judith Cummins) talked about the need to align skills to industry’s requirements. The hon. Member for Stalybridge and Hyde (Jonathan Reynolds) talked about the benefits of the arts to health and wellbeing. The hon. Member for Bristol East (Kerry McCarthy) talked about how we get students through the door and how different school activities can be the hook that draws them in, but she also raised concerns about pupils being forced to drop arts subjects because of the EBacc.

The hon. Member for Wirral West (Margaret Greenwood) talked about her experience as a former teacher and how theatrical experience allows some troubled students to express themselves in a different way. The Minister should consider seriously her point that the reduced value of arts subjects can contribute to low staff morale.

Scotland’s curriculum for excellence has eight curricular areas, all with equal status. The expressive arts is one of those areas. The Minister should consider the possibility of different flavours of EBacc, so that some students could have a science specialism while others had a language specialism or an expressive arts specialism, and others could do a general EBacc across a range of subjects. That would allow students both to flourish and to specialise in their chosen area.

Mr Gordon Marsden (Blackpool South) (Lab): It is a great pleasure and privilege to serve under your chairmanship, Mr Chope. We have had a fantastic debate here this afternoon so far. The contributions from all parties have been, without exception, inspired, passionate and admirable.

I want to start by paying tribute to my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) for the passion and comprehensiveness with which she put forward the case so well represented by all the people in the audience today. She was absolutely right to do the roll call of organisations that support the petition; she has saved me that job. She was absolutely right to cite the Chancellor of the Exchequer, who is not...
often cited in these matters. The Minister and his colleagues might wish to take that issue on board if they are revising this particular issue in any shape or form, were it to have financial consequences. She also drew attention to the DCMS report and the culture of disfranchisement, restricting young people’s life chances, one-size-fits-all GCSEs, the Creative Industries Federation’s concerns, and the 46,000 fall in GCSE entries in arts subjects last year. Of significant importance—this point was taken up by other speakers across the divide—is the impact on the disadvantaged and the socially immobile.

In a spirit of cross-partisanship I also want to praise the absolutely excellent and admirable speech made by the hon. Member for Somerton and Frome (David Warburton) with his focus on music facilities, widening participation and the creative industries. It was a paean to the study of music. As someone who came to my interest in history in a significant fashion via music, I entirely agreed with him. My right hon. Friend the Member for Slough (Fiona Mactaggart) reminded us, as have others, that what counts is what matters in government, and she talked about the law of unintended consequences and the impact. I was delighted that she quoted Maxwell Davies’s new opera because, again, when I was a teenager, one of the first things that got me passionately interested in medieval history was the setting by Maxwell Davies of “The Fader of Heven”, which comes from one of the English mystery plays. It is appropriate at this time when the Orkney festival is in full swing and when of course we have sadly lost Maxwell Davies that she should have done that.

My right hon. Friend the Member for Tottenham (Mr Lammy) not only drew on his own history as a distinguished member of the Government, but spoke movingly of his own experience as a black chorister at Peterborough cathedral and about the rigours and the discipline of the music. I can personally endorse what he said about the great partnership between the Department for Education and DCMS during what he described as the Blair years, because I was a Parliamentary Private Secretary in that Department at the time that that programme was being taken forward. It was a model of co-operation, with some financial tensions as always, but it was a model of co-operation across those two Departments, and it is a model of co-operation in getting out of silos that the Government would do well to emulate.

I want to pay tribute to my hon. Friend the Member for Washington and Sunderland West (MRS Hodgson). She has been a fantastic chair of the all-party group. She and I have had various conversations about the issue of unintended consequences. She was absolutely right to point to the need to get young people out and to get them experiencing things, as did the hon. Member for Eastleigh (Mims Davies), who has now left us. We can all probably remember school trips to theatres or music events that made an impact on us. My hon. Friend the Member for Bradford South (Judith Cummins) rightly brought us back not only to the aesthetic aspects, but the bread and butter aspects. If I might say so, one of Bradford’s most famous citizens, J. B. Priestley, would have been proud of her. She said that too many of her constituents did not have access to technical qualifications and she linked that to the need to develop new industries.
I was about to say that there is a curious disconnect in this debate. When we finally see the much delayed skills plan, I hope we will be able to welcome it. We are told that it will be incorporated into the Minister’s portfolio in the Department for Education, or certainly into the Department generally. The work of the taskforce, which was chaired by Lord Sainsbury and included Baroness Wolf and the head of my own further education college in Blackpool, is crucial to the debate about getting all these things right. It is a question not of having either technical skills or expressive skills but of where we take them. Given that the Government have spoken about the importance of higher-level skills, it seems passing strange that their forthcoming Bill will not be associated with what comes out from the Department. The truth is that it is not a question of developing either technical and professional skills or expressive arts skills.

Catherine Sezen of the Association of Colleges wrote recently in the *Times Educational Supplement* that “it is important that in striving to boost technical skills, this is not at the expense of creative skills”.

Many colleagues have made the connection between those two areas today, and I hope the Minister will think very hard about that. Catherine Sezen’s article continues:

“Failure to protect these subjects could leave another skills gap, but one that could be more difficult to fill…This, combined with the introduction of the more rigorous GCSEs graded 9 to 1, means it is more than likely that schools will offer a more limited number of optional subjects. This will have an impact on take-up of creative subjects”.

It should not be forgotten—I am well aware of this, as Member of Parliament for a seaside and coastal town where tourism is really important—that many occupations, including catering, hairdressing and architecture, combine technical and creative skills. It is a question of seeing where the joins are.

In April, I had the privilege of visiting the University of the Arts London’s new campus at King’s Cross, where I met many people who had come to the college as students through a combination of technical expertise and creative interest. As the Minister may know, UAL is the leading educator of talent in the UK’s creative industries, but it is very concerned about not being able to attract sufficient numbers of young people to London, not just because of the high cost but because of the increasing lack of coverage in schools. The danger is that that will also hit the expanding creative industries.

The combination of technical and creative skills in the creative industries is crucial. I will not cite the figures for the amount our economy depends on them, because that has already been done very ably by colleagues. However, I will make the point, further to what my hon. Friend the Member for Washington and Sunderland West said about students with special needs, that those students are often very strongly represented, not just at UAL but at other places. That is another area that should concern the Minister.

Other Members have already talked about MillionPlus’s briefing, so I will not go into it in any great detail, except to mention that it says that the role of modern universities, as a group, in supporting the creative industries is crucial. At a time when we worry in separate areas about the impact on modern universities of some of the proposals in the Government’s new Higher Education and Research Bill, the Minister might want to take that on board as well. We know the figures for the declining take-up of arts subjects at GCSE, and I will not go over them again.

I have two or three questions for the Minister about his progress on the consultation. First, when do the Government intend to respond to it? Will it be under this Government or a future Government? I think most Members present want to see a response from the Government in fairly short order. Secondly, the point about working across silos has been made very strongly, so what internal discussions has he had about the consultation with other Departments—the Department for Culture, Media and Sport, the Department for Business, Innovation and Skills or the Treasury? Thirdly, what assessment has he made of the equality impact of the EBacc’s implementation? If he has not made one, will he include one in his response to the consultations?

We need to get that spark of creativity that fires up young people. That is particularly true for my own town of Blackpool, where schools have always been strong in creative areas, even as they have aspired to better skills and academic excellence. I think of photography and design at Blackpool and the Fylde College, and of the performances I see month in, month out, of what we might expect in a seaside town. Schools are very good at putting on musicals and things of that nature. Wordpool, the annual festival funded by Blackpool Council, involves schools and helps children to write stories and poems, most recently about their own school giant. We have been able to do that in Blackpool because of the support that local government, which we have not had much chance to talk about today, often gives to these projects, despite the cuts.

All this is summed up by a letter I received literally this morning from the librarian of Thames Primary Academy in South Shore, which the Minister should understand is an area of high transience. She said: “I am the school librarian at the Thames Primary Academy. I also run an Arts Appreciate Club…But I also know how hard it is for schools to find the time for these subjects…I believe many leaders of the creative community” are worried about “how much these subjects are losing students at high schools and in further education, to the detriment of our creative industries…I was struck by the date of this debate. It is my late father’s birthday, he loved and was very knowledgeable about art, classical music and films…He worked in a factory all his adult life but never felt that art was not for him. I wish we could get back to that feeling in this country.”

I echo those sentiments.

As I have said, I am an historian and a medievalist. I got my interest in medieval history not just from the battles and the dates but from listening to the music, from seeing the Wilton diptych and other fabulous things on a day trip to the British Museum, and—stretching the period a little—from seeing as a teenager the fantastic performance of Glenda Jackson as Elizabeth I. Glenda Jackson, as hon. Members who heard her on Radio 3 recently might remember, was working in Boots and got her big break by getting a council scholarship to go to the Royal Academy of Dramatic Art. Those are some of the issues that I urge the Minister to consider.

C. P. Snow famously wrote a book in the 1950s about the two cultures and the division between arts and societies. Let us not allow the consequences of the EBacc to perpetuate that division, however unintentionally.
Denis Healey famously said that all politicians should have a hinterland. I think that the hon. Members who have spoken today have amply demonstrated their commitment to that hinterland, and I invite the Minister to do the same.

6.40 pm

The Minister for Schools (Mr Nick Gibb): It is a delight to be debating under your chairmanship today, Mr Chope. I congratulate the organisers of the petition and the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) on delivering this important debate. Hon. Members on both sides of the Chamber have made very good speeches.

I share the hon. Lady’s commitment to the arts, and I want to reassure her that the Government share it, too, as demonstrated by the quotation from the Chancellor that she cited. We want to ensure that every child has a high-quality arts education throughout their time at school. Like the right hon. Member for Tottenham (Mr Lammy), I was a chorister, and equally angelic, although not in a cathedral but a large parish church—St Edmund’s church in Roundhay in Leeds. I regularly go to the theatre—the Donmar, the National and the Chichester Festival theatre—so I am as passionate as anybody here about the importance of arts education.

We are committed to ensuring that such an education is not the preserve of the elite, but the entitlement of every single child. That concern was also raised by my hon. Friend the Member for Somerton and Frome (Mr Heath). It is for that reason that, in maintained schools, we are committed to ensuring that English, maths and science are compulsory in key stages 1, 2 and 3 of the national curriculum—between the ages of five and 14. This debate is not about all those years of education; it is about just two years after the end of key stage 3. Pupils must also be taught drama as part of the English curriculum and dance as part of the PE curriculum.

We have heard concerns today about the impact of the EBacc. It is important to set out why we are so committed to ensuring that the vast majority of pupils take the core academic curriculum subjects that the EBacc combination provides. Every child deserves to leave school fully literate and numerate, with an understanding of the history, geography and science of the world they inhabit, and a grasp of a language other than their own. Yet in 2010, many pupils—often those from the most disadvantaged backgrounds—were denied an education in that academic core. Only 31% of pupils took a GCSE in history and only 26% took a GCSE in geography. Only 43% took a foreign language GCSE—down from 76% in 2000. A flight away from a core of academic subjects: English, maths, science, geography or history, and a language. The success of the EBacc so far is clear. The proportion of pupils entering the EBacc combination has risen from just 22% in 2011 to 39% in 2015. Hon. Members talk about arts subjects as an add-on to that core academic curriculum, but only 22% took that core academic curriculum in 2011, and we reached only 39% in 2015.

Schools have made progress, but there is still further to go, not least because pupils who are eligible for free school meals are almost half as likely to be entered for the EBacc as those who are not. It cannot be right that where a child goes to school or the wealth of their parents determines whether they study the core subjects that will help them succeed in higher education and the job market. I wonder how many hon. Members in this debate have GCSEs or—more likely, given our ages—O-levels in all the EBacc subjects.

Last year, we set out our ambition for 90% of pupils in mainstream secondary schools to enter the EBacc. We are clear that the vast majority of pupils deserve to benefit from studying a core academic curriculum up to the age of 16. We will not apologise for having high aspirations for every child, but I would like to reassure hon. Members that that core academic curriculum can safely sit alongside a high-quality education in the arts. We have never said that pupils should study the EBacc subjects and nothing else. All schools will continue to offer a wide range of options outside the EBacc so pupils have the opportunity to study subjects that reflect their individual interests and strengths. The EBacc is limited in size so there is flexibility for pupils to take additional subjects of their choosing.

Catherine McKinnell: One of the key questions that people continue to ask is why the Government have differentiated between history and geography, and some of the arts subjects. Why are those subjects not simply included in the EBacc options? If they are run alongside the EBacc, as the Minister put it, students undertaking the EBacc who do not take subjects in addition to the eight will not get the opportunity to study those arts subjects.

Mr Gibb: Many subjects are not included in the EBacc, including religious studies, and a range of very important, high-quality vocational subjects such as economics, and music and art.

Catherine McKinnell: Will the Minister explain why?

Mr Gibb: Yes, I will come to that.

The issue is that English, maths and science are compulsory until the age of 16. Until 2004, a foreign language was compulsory until the age of 16. It would not be hugely controversial to reintroduce such a compulsion, although we are not doing that. What we are really talking about is one subject—a humanity—for two years in our schools at key stage 4. All this debate seems to be about is whether children should continue to study either history or geography—one subject out of the whole school curriculum—for another two years at school. This debate boils down to that and whether we think it is important for students to study a language.

Our view is that it is important that young people at secondary school study history and geography at key stage 3, take both subjects seriously, and take one or other of them through to GCSE. We took that policy decision because we believe it is important that young people learn the skills of writing essays and that they...
engage in understanding that part of our history. It is a tiny part of the curriculum. We were also determined to keep the EBacc small to enable pupils to study the arts, a second foreign language or vocational subjects in the one, two or three extra slots that the EBacc allows.

Mrs Hodgson: I think we all agree that the aspiration behind the EBacc is honourable—the Minister cited figures for children in some of our poorer schools who were taking it, as opposed to those who are achieving it now—but why are we seeing the unintended consequences that are highlighted by the NSEAD report, which I cited earlier? Is he prepared to do anything about them?

Mr Gibb: The evidence does not suggest that there have been any unintended consequences. We have had long debates with the religious studies lobby, which argued that the religious studies GCSE would fall through the floor. We have not seen that.

Mrs Hodgson: What about major industry and the arts?

Mr Christopher Chope (in the Chair): Order.

Mr Gibb: The entries for art and design were 162,000 in 2010-11 and 176,000 in 2014-15—the latest figures that I have. In drama, in 2010-11, there were 74,000 entries; they dropped in 2011 to 70,000 and then 69,000, but they went up to 70,000 and are now 70,800. In media, film and TV, there were 51,000 entries in 2010; they went down to 49,000 and then 48,700, but they went up to 51,000 and are now 51,570. So there is no evidence that the subjects are declining at GCSE.

David Warburton: Is it fair to point out that all the figures just given by the Minister are from before the announcement of the new EBacc and the consultation of November 2015, which is what has seen the drop in entries that we are all talking about?

Mr Gibb: No. Those figures are a consequence of the EBacc measure, which was taken seriously by schools—we have seen an increase in the EBacc performance measure. That is what we have seen—no fall in the figures. My assertion is that there will be no significant fall in the arts subjects as a consequence of the EBacc figure of 90%. The schools cited during the debate—the ones that have the strongest arts subjects, the choirs and the music GCSEs—are all doing the EBacc subjects right through to GCSE. They are not neglecting the arts. In fact, I assert that the schools that have the strongest arts education are also the ones that get the highest level in the EBacc performance measure.

Catherine McKinnell: Will the Minister acknowledge some disagreement about the statistics, the widespread concern that there is already a significant drop in the take-up of subjects and huge concern about a further drop in future take-up? The Government cannot simply reverse this easily, because we will have lost the teachers and the experts in the profession as a result of the drop in numbers. They would be difficult to recover. Will the Minister take on board those concerns and come back with a proper response about what the Government will do to take them into account?

Mr Gibb: I will of course listen carefully to this debate and all the representations made to the consultation, but there is a problem in this country. All the participants in the debate have talked about the arts being in addition. No one said—I listened carefully—that a foreign language is unnecessary for the majority of young people. No one said that taking two or three sciences is unnecessary for most young people. No one said that maths is not important, apart from the hon. Member for Glasgow North West (Carol Monaghan).

Carol Monaghan: I do not think I said—in fact, I know I did not say—that maths was not important, although I said that basic numeracy was a requirement. What I did say was that advanced algebra and calculus were not necessary for every student to make their way in life.

Mr Gibb: That is where we disagree: young people living in a modern, complex society need to have mathematical skills that go beyond simple numeracy. They need to be able to do maths to the level of GCSE, which is why we have insisted that a GCSE in maths and in English are part of further education studies for students without those GCSEs.

No one in the debate is saying that those subjects should be dropped—in so far as that is concerned, we all agree. Our contention is that there is ample room to study, in addition to the EBacc subjects, the arts, economics or a vocational subject, if that is what interests the young person.

Mr Marsden: I understand the point that the Minister is making, but does he understand the point being made by the Opposition and elsewhere—that what is measured is what is valued? Unless the Minister says that every Ofsted report will look in the same detail at other, non-EBacc subjects, or take them into account in the rankings, as the EBacc subjects will be looked at—or as future employers will do—his argument is on somewhat weak ground.

Mr Gibb: People will look carefully at a school’s EBacc performance measure. We want more young people—90% by 2020—to be taking GCSEs in those core academic subjects, which will provide the widest level of opportunities for them in future. That is what all the evidence suggests, and the policy in China, Finland, the state of Ontario in Canada, the state of Victoria in Australia, Germany and Poland is that all young people study those EBacc subjects. In fact, no one present has disagreed that all those subjects should be compulsory to the age of 14, or that English, maths and science should be compulsory to 16: all the debate is about is whether young people should study a foreign language, or history or geography, for two more years.

The policy of the Government is that they should be, because that is what is needed to have a broad and balanced education.

We deliberately kept the EBacc small—we received representations from all quarters asking for a whole range of other subjects, in addition to the arts, to be included in the EBacc. It could well become 10, 11 or 12 subjects if we gave in to those requests, but we deliberately kept it small—to seven or eight subjects—to enable young people to take an eighth, ninth or 10th GCSE, or an
[Mr Gibb]
equivalent, in addition to the series of core academic subjects. That is what everyone in the Chamber today, I thought, had agreed with—that this is about what is in addition to the core academic subjects, and not instead of them.

On average, pupils in state-funded schools enter nine GCSEs and equivalent qualifications, rising to 10 for more able pupils. For many pupils, the EBacc will mean taking seven GCSEs and, for those taking triple science, it will mean taking eight. That means there will continue to be room to study other subjects, including the arts, as I have just said. If we extended the EBacc by including an arts subject, as proposed by the e-petition, pupil choice would be restricted, not expanded. Such a measure would prevent pupils from taking additional non-arts subjects of their own choosing, be that design and technology, religious education or a second foreign language. They might wish to study both history and geography, or to take a high-quality vocational course.

Mrs Hodgson: Does the Minister not recognise and perhaps agree that that might squeeze out other subjects, but would show that the arts are important? Science, maths, English and a language are important, but including a creative subject would send a vital message.

Mr Gibb: Messaging is one thing—I have said this to those who have been arguing about religious studies—but actually the lobbying itself is the messaging. I have never said, and no one in the Government has said, that arts subjects are any less valuable than the subjects in the EBacc. We have never said that economics is less valuable than any of the EBacc subjects. We have never said that vocational subjects are less valuable. In fact, we have had a whole review of vocational education, so that the remaining vocational qualifications that feature in the performance tables—more than 100—are valuable, deliberately, for that reason. We have never differentiated in our messaging between what is in the EBacc and what is not in the EBacc.

The purpose of the EBacc is to ensure that all young people take the combination of GCSEs that are taken by young people in the most privileged schools in our country and in the best and most high-achieving schools in the state sector. That is what we want and it concerns us that young people from deprived backgrounds who are eligible for free school meals are half as likely to take that combination, compared with their more fortunate peers. Tackling that issue is the core reason why the Government introduced the EBacc measure.

It has been suggested today that arts are not valued in the school accountability system. That is not the case. The EBacc is one of several measures against which school performance is judged. Progress 8, which forms the basis for the school floor standard, measures performance across eight subjects: English, maths, three EBacc subjects and three other approved qualifications. Those other slots can be filled by arts qualifications, if a pupil wishes. In addition, the once sprawling selection of GCSEs that was allowed to develop over the years has been narrowed to ensure that the ones we have are of a high quality—in fact, 28 GCSEs have been discontinued—which will further strengthen the position of core arts qualifications in schools.

There is no reason why the EBacc should imperil the status of arts subjects. Both core academic and creative subjects can, and should, co-exist in any good school. We have seen a dip in provisional arts entries this year, but since the EBacc was first introduced the proportion of pupils in state-funded schools taking at least one GCSE in an arts subject has increased, rising from 46% in 2011 to 50% in 2015. At Whitemore High School in Harrow, where 88% of pupils entered the EBacc in 2015, pupils benefit from opportunities to take part in a wide range of art, music and drama clubs.

GCSEs and A-levels in arts subjects have been reformed to include more rigorous subject content. From September 2016, schools will be teaching new GCSEs in music, dance and drama, and new AS and A-levels in music and in drama and theatre. We are working with exam boards and Ofqual to make sure it is very clear that all students should see live drama in the theatre as part of their drama qualification, and we expect that to be in place from September 2017.

It is worth noting also that one of the distinctive virtues of arts subjects is that pupils can and are very willing to participate in them as a part of their extra-curricular school experience. Pupils can perform in a school orchestra, take part in a dance group or participate on stage or backstage in a school play without necessarily taking music, dance or drama GCSE. It is for that reason that, between 2012 and 2016, we invested over £460 million in a diverse portfolio of music and arts education programmes designed to improve access to the arts for all children, regardless of their background, and to develop talent across the country. That includes support for the network of music education hubs, national youth music organisations, the National Youth Dance Company, a museums and schools programme and support for the Shakespeare Schools Festival. Those programmes are having an impact on pupils across the country. The National Youth Dance Company is in the middle of a national tour, which started on 26 June in Nottingham and takes in Newcastle, Leeds, Ipswich and Falmouth among other locations.

Music education hubs are intended to ensure that every child in England has the opportunity to learn a musical instrument through weekly whole-class ensemble teaching programmes. They are also expected to ensure that clear progression routes are available and affordable, and many hubs subsidise the cost of lessons for pupils. Under that programme, any budding seeds of musical passion that young people have will not remain un-nurtured. We announced in December that funding for music education hubs would remain at £75 million in 2016-17.

Introducing primary school pupils to the arts early on is important and that is why I am so pleased that every primary school in the country now has free access to “Classical 100”, which is a new resource to introduce pupils to classical music. It comprises high quality Decca recordings of 100 pieces of classical music from the 11th century to the 21st century that I hope will stimulate children’s lifelong appreciation, understanding and enjoyment of music. Examples include Beethoven’s fifth symphony and Vaughan Williams’s Fantasia on Greensleeves as well as children’s classics such as Prokofiev’s Peter and the Wolf. That is something I was passionate about getting off the ground.
As well as programmes to ensure that all pupils receive a good arts education, we are continuing to invest in programmes ensuring the most talented can fulfil that talent. The music and dance, and the dance and drama awards schemes provide means-tested support to ensure that talented young people from all backgrounds receive the training they need to succeed in careers in music, dancing and acting. About 3,500 students a year benefit from that support, studying at world-class institutions such as the Royal Ballet School, Chetham’s School of Music and the Italia Conti Academy of Theatre Arts.

We have heard today concerns that the EBacc will hurt our creative industries. We absolutely recognise how important the creative industries are to our economy and our identity, but we do not accept that academic subjects at GCSE should prevent pupils from taking arts subjects.

Mr Marsden: I am sorry to interrupt the Minister, who is—quite rightly—giving a heart-warming list of Government initiatives. I do not object to those in any shape or form, but can I bring him back to the specific questions I asked him? When do the Government intend to respond to the consultation, what internal discussions has he had and what assessment of the equality impact has been made?

Mr Gibb: The equalities impact will be published alongside the Government response to the consultation. Officials are working with officials from the Department for Business, Innovation and Skills and the Department for Culture, Media and Sport. The consultation response will be published—here is the date: in due course. I hope the hon. Gentleman is happy with that response.

Mr Marsden: Partly.

Mr Gibb: Partly—that will do for now. We believe that for too long pupils from disadvantaged backgrounds have been dismissed, missing out on the core academic curriculum that is taken as a given by their more affluent peers. Our EBacc policy will ensure that that is no longer the case.

Catherine McKinnell: I have been listening carefully to the Minister. I appreciate the argument he is making and the Government’s aspiration, but does he recognise that some young people will struggle with maths and English and the EBacc’s core curriculum? As my hon. Friend the Member for Bristol East (Kerry McCarthy) set out, including a broader range of optional subjects as part of that could keep some of those young people on board by allowing them to take more artistic, expressive and creative subjects, which help them to stay interested and focused on the core subjects in which they also need to achieve. By closing down those opportunities, the Government could be undermining the ability of more students to achieve the EBacc standard.

Mr Gibb: I could not agree more; we do not disagree on this. That is why those creative arts subjects remain compulsory from five right through to 14 and as options that schools are required to offer between the ages of 14 and 16.

We have kept the EBacc deliberately small to enable pupils to have time to study creative subjects. The pupils to whom the hon. Lady refers can and should be encouraged to take those subjects, to ensure that they are engaged. However, we also believe it is important for all young people to study a foreign language and to take sciences, maths, English and at least one humanity from the ages of 14 to 16. We believe they should be able to do that as a core, basic part of their education, in addition to arts subjects that they might want to study between the ages of 14 and 16.

I hope hon. Members are assured that in providing all pupils with a core academic education that will help them to succeed we are in no way preventing pupils from studying the arts. The EBacc is a powerful reform that has already led to more than 91,000 more pupils studying a core academic curriculum at GCSE in 2015 than in 2011. This vital component of the Government’s move towards more rigour in the classroom should not be diluted due to the idea that the arts and a core academic curriculum cannot co-exist within schools. They should, they can and they do.

Mr Gibb: I could not agree more; we do not disagree on this. That is why those creative arts subjects remain compulsory from five right through to 14 and as options that schools are required to offer between the ages of 14 and 16.
[Catherine McKinnell]

The Government proclaim a belief in social justice and social mobility, which is hugely important, but that policy and some of the evidence flies in the face of that stated ambition. As MPs we have been through a period of bitter divisiveness in this country; we have been debating the country's future. Now is the time to come together to reinforce society's values of diversity, to empower young people to think creatively and inclusively. The drastic reduction in the take-up of arts subjects seems to be a movement in completely the wrong direction. On behalf of everyone who cares about the issue I urge the Government to think again.

Question put and agreed to.

Resolved,

That this House has considered e-petition 111731 relating to expressive arts subjects and the EBacc.

7.11 pm

Sitting adjourned.
Westminster Hall
Tuesday 5 July 2016

[GRAHAM STRINGER in the Chair]

Employment for People with Disabilities

9.30 am

Derek Thomas (St Ives) (Con): I beg to move,

That this House has considered employment for people with disabilities.

It is a pleasure to serve under your chairmanship, Mr Stringer. I am delighted to lead this debate, not least because at the moment every Conservative MP seems to want to know me because they want my vote this afternoon, so I have 90 minutes clear of any of that kind of distraction. Much more important, I am delighted to lead this debate because supporting people who have disabilities to live full lives and to enjoy meaningful employment is something I have been concerned with for over two decades.

I know that this Government recognise the need to remove barriers that prevent people with disabilities from enjoying good access to jobs. They also recognise that little attention has been paid by Governments of all parties to this issue over decades, and as a result there is a significant gap between the employment rate of disabled people and that of the rest of the population. We all accept that if the same proportion of disabled people had been in work as non-disabled people at the time of the last general election, in 2015, an extra 2.268 million disabled people would have been in employment.

I welcome the Government’s Disability Confident campaign, which aims to challenge attitudes towards disability; increase understanding; remove barriers to employment for disabled people and those with long-term health conditions; and ensure that disabled people have the opportunity to fulfil their potential and realise their aspirations. I do not wish to steal the Minister's thunder, but I believe that much more needs to be done to ensure that people with disabilities are enabled to secure meaningful employment.

This morning I will argue that the Government’s Work and Health programme, which focuses on those with disabilities and health conditions, is the tool needed to crack the problem, and I will demonstrate that the Government’s work is made easier by the many organisations that are well placed today to remove the barriers in the way of those whom those groups support. I am keen to ensure that every extra penny spent to reduce inequalities in employment opportunities is well spent and delivers for those who need it. I will concentrate on the need, particularly today, to focus our resources on those who have learning disabilities and to ensure that money is used wisely and effectively to enable them to live full lives and be active in the communities they love so much.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The hon. Gentleman may not be aware that I chair the commission on autism. We launched a report yesterday on the barriers to health for people with autism, and we are going to move on to barriers to employment. Does he agree that autism is a disability that is rarely recognised, and that if we got more people with autism into work we would save billions of pounds for the Treasury?

Derek Thomas: I completely agree. In a moment, I will talk about my background in working with people with all sorts of learning disability, including autism, and the amazing contribution they can make to our local communities and to the workplace. I thank the hon. Gentleman for his intervention.

Supporting people towards independence and meaningful employment is something I have taken an interest in for years. Many of us will have stories about our mothers-in-law. I met my mother-in-law to be long before I met my wife. I met her in the mid-1990s, when I worked as a youth and community worker in Penzance, which is the main town in my constituency. She set up a charity called Choughs Training Project and spent her days supporting people with learning disabilities to learn skills, work in the charity and become active in the community. I was so impressed with the charity’s work that I became its chairman.

One of our most rewarding achievements was to relocate the charity and set up a training café in the heart of the newly built Wharfside shopping centre in Penzance. Over the years, Choughs Training Project—which still exists and is now called Manna’s Diner—has helped large numbers of local people to gain confidence, learn everyday life skills and work within the catering and hospitality sector. I was hooked to that work and went on to manage the Mustard Seed charity in Helston for eight years. During that period, we set up microbusinesses within the charity, and my staff and volunteers supported people with learning disabilities including autism, helping them to grow in confidence and experience and to develop skills that enabled them become more independent. We also helped to chip away at some of the perceptions that can exist in our society of people who have learning disabilities.

Each day, the people we supported made and delivered an amazing range of sandwiches and cakes for local businesses and retail outlets, not only providing a valuable service in the town but engaging in local society, breaking down many of the barriers and bridging the gaps between people with learning disabilities and those who live and work in the town. Every week, we went down to a local National Trust walled garden where we grew fruit and veg in our allotment. Using our own produce and buying direct from local farmers, we boxed up and delivered fresh produce to local homes. What made that work so interesting was that people with learning disabilities were helping local producers to sell more of their produce and were also going into people’s homes. I met many people—particularly older people—who did not meet people from one week to the next. Having someone come into their home who was able to communicate freely, had good social skills and was willing to talk about everyday life was a bright part of their week.

For a time, we ran three community cafés, two of which were in local children’s centres. Again, that brought together different groups in society, helping them to
understand the richness and wealth of the local community. In both Penzance and Helston, which is also in my constituency, those projects continue their good work, and many such small but significant initiatives still operate. My experience is that people who have learning disabilities are keen to work and welcome opportunities to learn new skills and play their part in modern society.

Mr Sheerman: I have to say, the hon. Gentleman’s speech is so refreshing that I wish he had stood as leader of his party. I could not have voted for him, but I could have campaigned for him. Is it not a fact that many people on the autism scale find it very difficult to be diagnosed and their condition recognised, and to get access to care? Even children in care with a learning disability can have a 20-month wait for therapeutic care.

Derek Thomas: I agree. Right next door to where I ran Mustard Seed was a small office for Spectrum, which does amazing work supporting families of people with autism. The hon. Gentleman is absolutely right. There are so many elements of this—not just whether a person can work or would like to work, but their whole wellbeing and how we give them full lives, so that they are in a position to contribute in the way they want to. You are absolutely right, and I appreciate that intervention.

Since being elected as an MP, I have taken a particular interest in this field. There is no point in being an MP unless you can do something about the challenges you identify growing up and taking part in local society, so there would be no point in my coming here if I did not attempt to address some of the challenges I found in my professional work previously. I have been doing some very good work, and I recently discovered the positive work of Cornwall People First, which supports people to speak up for themselves and to live full lives. I have watched that charity at work: rather than doing things for our most vulnerable citizens, it stands alongside them and enables them to rise to the challenge, whatever it may be. The great tragedy is that the charity’s funding from Cornwall Council is being reduced from £120,000, which is really nothing at all out of the council’s budget, to £70,000, which means it is able to do about half of what it was doing this time last year at a time when we want people with learning disabilities and other disabilities to be supported and helped much more.

I have got to know the work of Rebuild South West, which is a unique community interest company run by ex-military personnel who work to restore lives while rebuilding properties. It has been working with people who have all sorts of challenges, including disabilities and mental health conditions. It is particularly refreshing that in my constituency, which has 1,030 empty homes—not second homes or holiday homes, but abandoned homes—and people who desperately need family homes, Rebuild South West is working with owners to bring the homes back into use and using vulnerable people who need support to gain skills and to work with others they can identify with. That amazing work is largely without the help of the council and the state.

Helen Whately (Faversham and Mid Kent) (Con): It is fabulous to hear about my hon. Friend’s experience. Does he agree that many people with mental health problems are looking for work and want to be in work, and that we must give them more support because it is good for them to be in work and good for everyone around them?

Derek Thomas: My hon. Friend is absolutely right and I welcome her intervention. The mistake in the rhetoric of how we challenge welfare is that it is about saving money, but it is not. It is often about trying to provide people with full lives so that they feel confident and able to contribute and have satisfying work. My hon. Friend is right to mention that. I want to concentrate on learning difficulties because they present particular challenges and I believe I have identified how to resolve them. Anything we can do to help people to grow in confidence and to manage their health issues by supporting them to feel that they have something to offer is good for everyone. Thank you very much for that.

I have recently had the great and amazing privilege of meeting the people behind Helston and the Lizard Works. I used to work in Helston. The Lizard is a lovely part of Cornwall and a tourist area, but it had the highest number of people not in education, employment or training of any rural part of the country. I take a particular interest in the challenges facing people, particularly the young, on the Lizard and how they access work. Helston and the Lizard Works is unique. Many people believe the challenge is too great and that we should accept that some people will never be able to work, but Helston and the Lizard Works does not believe this and through a unique back-to-work business and community-based project in my constituency it has shown that with the correct support people can overcome enormous obstacles and take control of their own future.

It is important to make the point that being jobless is not just an individual’s problem. It is a business and community issue that can have a business and community solution. Helston and Lizard Works has engaged with local businesses and encouraged them to give their time to inspire and support jobseekers. It has run community projects to allow jobseekers the chance to get involved in their local community. It set out to help 40 people into work—I have explained how challenging Helston and the Lizard are geographically—and ended up achieving this for 104 people, which in a rural area such as west Cornwall is remarkable. It has helped many other people besides.

I selfishly mention these projects and examples in my constituency because each one and many more like them throughout the country have three things in common. They are brilliant in what they do, they are well placed to develop this work further and to help the Government to achieve their target for getting for helping people into employment, and they are all strapped for cash. I am arguing that as the Government develop their Green Paper, they should recognise that such groups are well placed to support people as they prepare for work and find work and when they are in work. If we get this right, we can transform the lives of many people, and I am excited about the opportunities ahead.

As I prepared for this debate, I thought back to some of the barriers I encountered when supporting people with learning disabilities. I will touch on them briefly simply to emphasise the contribution that many community groups already on the ground can make and that they are ready to act. The transition from school to work for
people with learning disabilities has particular challenges. The hon. Member for Huddersfield (Mr Sheerman) referred to this, and it is also true for people with autism. Community-based organisations could be funded to work with schools and colleges to identify suitable work placements and apprenticeship opportunities, and to support youngsters in this transition period.

Richard Graham (Gloucester) (Con): Hearing about my hon. Friend’s experience of bringing people with disabilities into the workplace is incredibly valuable to us all. In the Works and Pensions Committee yesterday, one of the ideas I floated over some of the people from whom we were taking evidence was that to encourage more young people into apprenticeships we should incentivise small and medium-sized businesses as we did some years ago for people without disabilities. Does he agree that allowing SMEs to have up to two apprentices with disabilities without having to pay national insurance would help to incentivise them to take on apprentices with disabilities?

Derek Thomas: I certainly think that such initiatives are important in breaking the deadlock when employers are not absolutely sure that they can provide those opportunities. I am looking at how to make that possible in my office. I understand that support and grants for apprenticeships continue to the age of 25 for people with disabilities. It is important to recognise that advantage, but we should do more.

Mr Sheerman: The hon. Gentleman is being generous in giving way. The reputation of further education in Cornwall is brilliant—everyone says it is the exemplar. Do you work in partnership with Cornwall College of further education? Is the hon. Gentleman picking up one of the problems we are picking up that some schools that become academies are filtering out people with special educational needs and autism because they think they will pull down their performance in league tables?

Graham Stringer (in the Chair): I remind hon. Members that “you” refers to me and that they should use normal parliamentary protocols.

Derek Thomas: Thank you Mr Stringer. I also made that mistake.

I work with FE colleges in Cornwall and other groups such as Mencap, Leonard Cheshire Disability and others. I am talking to all of them and have been since being elected to Parliament to see how we can bridge some of the gaps. I share the concern about academies. League tables, albeit not necessarily the intentions behind them and incentives they put in place, present a problem to schools across the board in terms of how they maintain a high position in league tables and continue to attract children. We must look at the incentives that may marginalise and exclude people. I accept that is important.

It is obvious that different people have different hopes and aspirations. That is equally true of people with learning disabilities and, or autism. Community-based organisations can help to develop a creative and flexible approach to employment and occupation to achieve optimum positive outcomes. That is particularly true of how we work with employers to find opportunities to provide spaces and places for people.

Mr Robin Walker (Worcester) (Con): My hon. Friend is making an important speech, and I apologise for missing the first few minutes of it. One option for community organisations working with employers is to set up their own enterprises. ASPIE in my constituency set up Wits End Wizardry, a web design company that was designed to employ people with autism. Does he agree that when community organisations have expertise in dealing with a particular condition, they can bring real value to designing the workspace and supporting employment for people with conditions such as autism?

Derek Thomas: I agree. Such organisations can also encourage progression and create bespoke opportunities for people with a learning disability. I completely accept that. As the Government put new money into this—the £60 million and the £100 million a year—I hope it will go down to organisations that really understand the opportunities and challenges and their local communities. That is hugely important.

I have found that families of vulnerable people are understandably anxious about how their loved ones would cope in the world of work. We have already heard about the challenges and lack of support as they go through school. It is understandable, then, that as their children go towards that transition, parents will be equally anxious. The organisations with which I am familiar are not seen as part of the system and they have the trust of the families they support. That helps to overcome a real barrier to meaningful employment for those who can otherwise find themselves on seemingly endless day placements and college courses. I have met people with learning disabilities who have done every course available to them and continue to go round and round. That is not giving them full lives.

Neil Gray (Airdrie and Shotts) (SNP): The hon. Gentleman is making a very good speech. The case he is outlining is making an even stronger case for the Government to make early publication of the Green Paper a priority, so that some of these issues can be ironed out and a proper, concrete process can be put in place. Does he agree?

Derek Thomas: Actually, until today I had been wanting to hurry on the process of the Green Paper, but having achieved this Westminster Hall debate, which I had been seeking for some time, I am glad that we have not had the Green Paper yet, because I am hoping that everything I am suggesting and the other suggestions made today will be included in it. I will be looking to see exactly how my local community organisations will benefit from this morning’s debate in the Green Paper.

Richard Graham: One issue that the Green Paper will have to tackle is how the Work and Health programme will use what resources it has most effectively. The Work Choice programme has been incredibly successful, but we suspect that there will not be enough money for that programme to be available to everyone, with any disability, so there are some quite difficult choices to be made. Do we focus on the people closest to the workplace or on those with the most severe disabilities, or do we try to do a mixture of both? Does my hon. Friend agree that the way we use things such as Work Choice, which has been so successful, will be key to success after the paper has been written and the policy is implemented?
Derek Thomas: I do agree. We need to understand that every penny we spend effectively and successfully now is a penny saved that can be used to support the next individual. My hon. Friend is absolutely right. How do we prioritise? Who should we work with most? Do we just go for quick wins or do we go for the greatest challenge? We must recognise the contribution that people will make to the economy and society if we get this right, as well as the savings to the state. At the moment, so much of what we are spending, almost to maintain the status quo, is not money well spent.

I found that, although willing, employers would be nervous about whether a candidate had the skills and support network needed to work in often busy workplaces. Community-based organisations can build trust with business owners and have the connections to help to equip prospective employees with the skills and confidence they need.

I want to mention a couple of things that need to be taken seriously as we look at the Green Paper. We hear often in the Chamber now about constituents who have written to us to raise a particular issue. The chairman of Cornwall People First, who has a learning disability, asked me to raise the following issue in this debate. At the moment, he has a free bus pass for use after 9.30 am. If he wants to get employment or to access training, that bus pass needs to serve him at a time when people are actually going to work. It would be brilliant if we could talk to local authorities and change that, so that bus passes are free to use when they are actually useful to the people who need them and have a right to them.

Also, we talk a lot about the role of jobcentres, but one of the jobcentres in my constituency, in Penzance, is in a huge granite building that is completely uninviting, and often when I walk past there is a security guard standing at the door. In Helston, there is a large, glass-plated shopfront, and again, by the door stands a security guard. For someone who is vulnerable and feels they are being pressured to take part in a system, that is a barrier in itself. We need to look at how we can improve that.

In recent decades, people with disabilities have made huge progress in the workplace and more are now in work than ever before. However, despite wanting to work and often having the right skills and experience, many people still face significant barriers to accessing employment. I have focused on people with learning disabilities, but that is true for all people who have a disability. As the Green Paper on disability employment is progressed, I would ask that significant consideration and support be given to these small but effective community organisations. They are ready and primed to address the barriers to employment that exist for people with disabilities.

I am a huge fan of Cheshire homes and have enjoyed my visits to the home in Marazion in my constituency, I want to conclude by reading Leonard Cheshire Disability’s statement of belief, which serves as a reminder of why we are taking part in this debate today:

“We believe that disabled people should have the freedom to live their lives the way they choose—with the opportunity and support to live independently, to contribute economically and to participate fully in society.”

Graham Stringer (in the Chair): I intend to call the Scottish National party spokesperson at 10.30 am and obviously the debate finishes at 11, so there is approximately 35 minutes left and there are five Back-Bench speakers. The arithmetic is straightforward.
The cut to financial support for those in the ESA work-related activity...from April 2017 will push people with Parkinson’s even further from the workplace.”

when we want to encourage them to stay in or enter the workplace, and can—“cause unnecessary stress which will make their condition worse and harm their financial situation which may already be precarious.”

The key, here, is recognising the need to challenge attitudes to disabled people in the workplace and to support them if they are able to work. To pile financial pressure on them is counterproductive and cruel. The focus and concentration for Government, and agencies as well, must be to challenge discrimination, as the hon. Member for St Ives highlighted in his very thoughtful contribution. We must make the workplace more equal and we must promote awareness of the support mechanisms that are available. There must be fair treatment in back-to-work schemes for people who may have already been in the workplace and find themselves disabled as a result of an accident but want to contribute to society and make their own lives better. There must be recognition and support for people who cannot work because of their disabilities, but who wish to do so and wish to make that contribution. I look forward to the response from the Minister on this very important issue.

10.2 am

Jim Shannon (Strangford) (DUP): It is a pleasure to speak on this matter, Mr Stringer. May I commend the hon. Member for St Ives (Derek Thomas) for, as he always does, setting the scene on these issues? It is a pleasure to make a contribution and, like the hon. Member for South Down (Ms Ritchie), I will give some comments, direction and focus on Northern Ireland. The issue, clearly, is work itself and how we address that.

Despite the great services that exist and the Access to Work scheme, the proportion of people with a learning disability in paid employment has remained stubbornly low. That is a fact we cannot ignore and is what this debate is all about. The Government have previously referred to £330 million, which would be spent over the next five years on a tailored peer support offer for disabled people out of work and targeted at work in the ESA or the work-related activity group. That is, of course, welcome, but it should be remembered that the recent Welfare Reform and Work Act 2016 cut ESA for this group by £30 a week—other Members have referred to that—saving the Government £640 million and ultimately greatly offsetting the supposed £330 million investment. I am sure that the Minister will give the Government’s side of that, but those are the figures as I see them. The proportion of learning-disabled people known to social services in paid employment fell from 7% in 2012-13 to 6.8% in 2013-14. According to Mencap UK, which represents people with learning difficulties, that proportion appears immune to economic factors. These are clearly issues to be dealt with.

I would like to make some comment, as others have—other hon. Members will probably mention this as well—on those who have served King and country in uniform, and their families. In Northern Ireland, we have had some 30 years of troubles; we have a large number of veterans who have mental and emotional issues. I feel that there needs to be more focus on them and their families.

Mencap also says that the fall in numbers of learning-disabled people in employment happened despite the fact that the majority of people with a learning disability can and want to work. There is an eagerness to work, and we should encourage it. The figures are stark if we compare them with the national employment rate of 76% and an overall disability employment rate of just below 50%. The Government pledged to halve the disability employment gap. Indeed, the pledge was in the Conservative party’s manifesto, and we recognise and welcome it. It is good to see a commitment to it, but that commitment must be met with results. That is how we measure any legislative change or commitment—by the results.

Mencap supports the 1.4 million people with a learning disability in the UK and their families. They directly support over 10,000 people with learning disabilities to live their lives the way they want and, importantly, to live independently. Many good initiatives are happening across the whole of the United Kingdom. I commend one in my constituency—Daisies Café at the Ards hospital—for the truly excellent and extraordinary work and commitment it gives to those who have emotional and physical disabilities. I know that the café works in the constituency of South Down as well, and across the whole of Northern Ireland.

Fewer than two in 10 people with a learning disability are in employment. Mencap estimates that almost eight in 10 people with a learning disability could work if given the right support; however, that support is often not available or those giving it often do not understand learning disabilities. The estimate of fewer than two in 10 in work is Mencap’s estimate, and the Government’s figures are even lower: the figure for those in work known to social services is 6.8%. Of course, this is just one of many stakeholders and one of many conditions affected in this area, but it is a pertinent example and an indication of a very worrying trend.

Although welcome moves have been made to realise that commitment, the facts show that we need to lift our game and do more. The Government need to monitor the disability employment gap, identify the factors that are still preventing it from closing and preventing disabled people from getting into work, and take action on those factors. These are things that the Government can and should do. Every day, every MP will have interactions with those with disabilities. I believe that we are elected to this House to act on behalf of those who need support more, and to help those who cannot help themselves.

Department for Work and Pensions data show that between 2011 and 2015 the number of jobcentres employing a full-time adviser to help disabled people fell by more than 60% from 226 to 90, with reductions in every recorded year. We cannot ignore that issue. We need to know what steps the Government have taken to address the fall in the number of jobcentre advisers, and how we can best help those who are disabled when they come looking for help. I know that the Minister is very responsive—I mean that honestly and sincerely—to the questions that we put to him, and I am sure that he will come back with the steps that the Government intend to take. That reduction surely contradicts the Government’s commitment to reduce the disability employment gap, and that cut in services needs to be closely monitored to ensure that it is not having an adverse effect on efforts to reduce disability unemployment.
I will give an example from Northern Ireland, because it is always good to give examples of what the devolved regions are doing so that we can ensure that we have the best practice here in the mother of all Parliaments. We have an additional scheme to help reduce the disability employment gap. As well as the Access to Work scheme, which is a devolved responsibility, there is Workable (NI), which is delivered by a range of providers contracted by the Department for Employment and Learning. My party colleague Simon Hamilton is the Minister for that, along with the Department of Enterprise, Trade and Investment. These organisations have extensive experience of meeting the vocational needs of people with disabilities, and using them is a great way of advancing social enterprise and supporting that sector.

Workable (NI) is a two-year programme that helps people out of tough economic situations, gives them support and hope and properly prepares them for employment. It tailors support to individuals to meet their specific needs. The provision can include support such as a job coach to assist the disabled worker and their colleagues to adapt to the needs of a particular job, developmental costs for the employer and extra training, including disability awareness training. Those are all vital factors for any and all disabled people who want to work. With the fresh start agreement and the streamlining of Stormont Departments in Northern Ireland, I will be sure to keep an eye on progress and bring any positive developments back to this House, so that the best policies being implemented across the United Kingdom are known and taken into consideration here at Westminster.

In conclusion, let us exchange the good points and good practice that we have in every region of the United Kingdom. Lessons can clearly be learned from the approach in Northern Ireland, and we can develop additional strategies here in the mainland to help the Government make good on their commitment to halve the disability employment gap.

10.9 am

Natalie McGarry (Glasgow East) (Ind): It is a pleasure to serve under your chairmanship, Mr Stringer. I congratulate the hon. Member for St Ives (Derek Thomas) on securing this very important debate and on the manner in which he started the debate, which has continued with other Members. This issue is of supreme importance to Members right across political parties, right across the House. This is a debate that the Government must address in a more meaningful manner, and I hope that they will do so.

As I have said before in the House, ours is a disabling society. Some are born with impairments whereas some acquire them, and those can be visible and invisible. From time to time, we all get a glimpse of the invisible nature of non-disabled persons. Ours is a society that adds to the disadvantages people and deprives the job market of their unique talents and skills.

Charities have said that cutting specialist advisers from jobcentres will undermine the UK Government’s goal of halving the disability employment gap. Will the Minister address those concerns and tell us what assessment the Government have undertaken to ascertain the impact that the changes will have on recipients of the benefit?

The UK’s rhetoric of supporting disabled people does not necessarily reconcile with the reality of the closure of Remploy factories. In 2013, the Government closed nine Remploy factories, with hundreds of disabled people losing their jobs across the UK and Scotland, including in Leven, Cowdenbeath, Clydebank, Stirling, Dundee and Springburn, which is in the neighbouring constituency to mine.

A constituent of mine who worked for 25-plus years as a seamstress has since been put into work experience jobs and inappropriate and short-term employment. She has now been shoehorned bluntly into the care sector, which is completely inappropriate work for her. When the Government made the decision to close the Remploy factories, they pledged an £8 million package to help those who had lost their jobs to transition to mainstream employment. However, figures reported in 2015 show that, of the 1,507 Remploy workers who lost their jobs, 733 had still not secured employment. Will the Minister update the House on the Government’s progress on helping Remploy workers to secure mainstream employment? Is he satisfied with that progress?

Stereotypes and stigma still persist in contemporary society. ACAS found that for 42% of disabled people seeking work, the biggest barrier to getting hired was misconceptions about what they could do. Indeed, Geoffrey Wright, a former Remploy worker, described his experience of this. He said:

“I was looking for a job and now I’m not. They take one look at you, you hand them your CV and they never call.”

Last week I visited a wonderful school in my constituency, Cardinal Winning Secondary School, which educates children with a range of additional support needs or million people living with disabilities into work. I thoroughly applaud that target but feel, as many hon. Members across the House may feel, that the Government sadly do not appear to be doing enough to make that aim a reality.

For example, in a speech in August 2015, the former Secretary of State for Work and Pensions, the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith), criticised employers for the persistence of the disability employment gap. There is criticism due in that respect but, less than two months later, it was reported that the Department for Work and Pensions had cut the number of specialist disability employment advisers in jobcentres by over 60% between 2011 and 2015. Instead, the UK Government wish to replace those specialists with general, non-specialist “work coaches”.

In jobcentres in my constituency, where there are higher levels of disability, that one-size-fits-all approach has stripped services and advice to the bone. In a constituency such as mine, where unemployment is almost double the national average and competition in a flat jobs market is fierce, people with disabilities are not on an even playing field. Competition for jobs without education for employers in how to support people with disabilities in finding work further economically disadvantages people and deprives the job market of their unique talents and skills.

I want to conclude by asking the Secretary of State for Work and Pensions to provide an update on what the Government are doing to provide the support that disabled people need.

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“I was looking for a job and now I’m not. They take one look at you, you hand them your CV and they never call.”

Last week I visited a wonderful school in my constituency, Cardinal Winning Secondary School, which educates children with a range of additional support needs or
spectrum disorders. They learn valuable life skills and skills that will enable some of the pupils to achieve employment when they leave school. The nurturing environment of the school can be contrasted with the fears of some parents that their children will not be given the support when leaving education to continue to fulfill their potential—in employment, the voluntary sector or other areas.

An ageing population, coupled with an increasing pension age, will mean that more people are available and willing to work. People with disabilities have many valuable assets that we are missing out on by failing to break down barriers. The economy loses, society loses and people with disabilities lose. We must rise to the challenge together. It is an opportunity not only for our economy to be more diverse and our society to be more enabling but to break down barriers and to smash stigma and stereotypes—together, across the House, we must rise to that challenge.

10.15 am

David Simpson (Upper Bann) (DUP): I congratulate the hon. Member for St Ives (Derek Thomas) on securing this debate. Many of us are reminded every day in our constituencies of the lack of services for disabled people, especially when young people leave full-time education. Today, as we focus on employment for disabled people, we must look at the shortage of careers advice available, which in itself leads to low numbers of registered disabled people engaged in paid employment.

Like other hon. Members, I appreciate all the excellent efforts of various Government Departments, outside organisations and, most of all, carers and volunteers, but there is still a vast gap when meeting the needs of disabled people and getting them into employment. The Equality Act 2010 has gone a long way in protecting the rights of disabled people. Included in the Act is the provision that employers must make “reasonable adjustments” to avoid a disabled person being put at a disadvantage compared with a non-disabled person in the workforce, but we cannot ignore the fact that that there are over 6.9 million disabled people of working age, which represents 19% of the working population. Of that, 1.3 million disabled people in the UK are available and want to work. Only half of disabled people of working age are in work compared with 80% of non-disabled people.

What we are seeing is a very clear difference in the employment statistics for disabled persons and non-disabled persons. I do not want to appear to be having a go at businesses but those figures suggest that non-disabled people are being favoured for jobs. Why is that happening? Is it because of the level of training required, the lack of qualifications, poor social skills or apprehensive employers? I believe it to be a cocktail that includes all those factors. That is why Government need to increase the accessibility of jobs for disabled people.

Mr Robin Walker: The hon. Gentleman is making some excellent points. One thing that has changed and improved in many ways is assistive technology, particularly for people with conditions such as blindness or deafness. Does he agree that disseminating information about the assistive technologies that are available and making sure that businesses are aware of them and how easy they are to use is an important part of this?

David Simpson: Yes, the hon. Gentleman makes a very good point. The need to promote awareness of the technologies and what is available to help companies to take on people with additional needs is a valid point.

There are two special schools in my constituency. We fundraise every year for them and try to help them to get young people into employment. Principals, staff, parents and pupils are trying to provide an excellent level of care. The detailed attention that each child receives to ensure that they are developing to their full potential is exceptional. Schools are doing their best to get the best out of young people who have additional needs, but once the child reaches the age of 19—I am referring on this point to Northern Ireland—and is due to leave full-time education, support diminishes. The Department of Health in Northern Ireland recently have set IQ tests for young people. If they reach a score of 70 or above they are deemed ineligible for specific services provided through the Department. This is simply devastating for young people and for their families as they struggle to fulfil the needs of their sons and daughters. The principals of the special needs schools have expressed to me their utter frustration at how quickly all the great work carried out in their schools is being lost as the correct level of support is not available for young people. The reality is that so many of those young people could be out working and adding to the economy, but they cannot get over the initial application phase because the support services are just not there.

I recently visited a social enterprise in my constituency that is providing excellent support, skills and qualifications. Sadly, it is under constant threat of closure due to lack of funding. Its staff train young people in essential social skills that not only equip them for the world of work, but boost their inner confidence. The social enterprise focuses on preparing young people for adult life, encouraging them to reach their goals and giving them invaluable skills. I am currently working closely with a local supported employment organisation, Ulster Supported Employment Ltd, on how we can do more after people turn 19. USEL goes some way in addressing the setbacks faced by disabled people, but we should go further in supporting such organisations and social enterprise initiatives.

Parents have said that there is no flexibility of benefits for their sons and daughters who are heading into work. That has created a significant reluctance for young people to come off benefits and start working. The challenges in their new job may not be something that they can sustain, and if they have given up their entitlements they may have to wait a number of weeks, or even months, before they can claim benefits again; indeed, they may not even receive them at all.

All Members of this House are trying to be proactive in their constituencies. In Upper Bann, I am planning a jobs fair for disabled people in the autumn. I have spoken to the local council, further education colleges, the special needs schools and a number of other organisations in my area, and all are keen to come on board. During the summer recess, we will try to get businesses interested, and see whether we can help people with additional needs and disabilities to fulfil their ambitions in life.
10.22 am

Neil Gray (Airdrie and Shotts) (SNP): It is a pleasure to speak with you in the Chair, Mr Stringer. I thank the hon. Member for St Ives (Derek Thomas) for securing the debate.

I recently spoke in the Chamber during the debate on the disability employment gap. In that speech, I welcomed the announcement by the Secretary of State for Work and Pensions of the Green Paper on health and work. I welcomed it on the basis that it would involve a genuine consultation process, that the Government would genuinely listen to stakeholders and that there would be genuine investment in the resulting service. The Green Paper cannot be a conduit for further cuts. It must be boldly resourced if the Government are to get close to their employment gap target. I made clear that this should have been done before the cut to employment and support allowance for those in the work-related activity group and before the cut to universal credit work allowance.

The mistakes of the past cannot, sadly, be undone, but we must do all we can to amend them. Above all else, that requires the publication of a properly-resourced Green Paper to a cast iron, copper-bottomed, concrete timetable. The delays and changes are well known: the White Paper became the Green Paper; the Secretary of State changed from the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith) to the right hon. Member for Preseli Pembrokeshire (Stephen Crabb); and the proposed publication date of “well before the summer break”—[Official Report, 14 March 2016; Vol. 607, c. 633].

became “later this year.” The Secretary of State is currently seeking employment elsewhere, and depending on who the eventual winner of the Conservative leadership contest wishes to surround themselves with, his position may be filled by another candidate anyway. Given that, it is imperative that a clear deadline and concrete timetable are announced as soon as possible. The Government should then abide by that schedule regardless of any future changes in ministerial personnel.

Given some of the ideas that have been floated today, in spite of some of the comments made by the hon. Member for St Ives I hope that he will be an ally in the long grass. Government must go on.

Richard Graham: This debate has been a good example of a non-partisan, non-party political discussion of issues of crucial importance to many of our constituents. The hon. Gentleman disappoints me by going down the track of what might or might not happen in the leadership of the Conservative party. That has no relevance to the debate. It is not about having a precise timetable, to the day and hour, for the publication of a Green Paper. It is about good, long-term solutions for people with disabilities, and I would be grateful if the hon. Gentleman endorsed that.

Neil Gray: I am merely pointing out the fact that, at a time when there are delays to the publication of the Green Paper, the Conservative leadership battle cannot be allowed to get in the way. That is not being partisan or party political. It is merely pointing out the facts. It has been delayed. Why has it been delayed? Why are further delays happening?

The Secretary of State has spoken many times about his wish for a social security system that is focused on people rather than statistics. I therefore used my speech in the Chamber to highlight examples from constituents and my own nephew about problems that the current system has caused for them. Those examples highlighted issues including people in employment not receiving adequate support to claim the benefits to which they are entitled, such as the personal independence payment, which can help to support the additional costs of daily living and access to employment. Disabled people who are not yet ready for employment are being forced to attend the jobcentre due to the flawed ESA assessment system, and this has a knock-on effect on jobcentre staff, who are therefore unable to focus their attention fully on individuals who are capable of looking for work and who need support.

I hope that the Secretary of State took on board the issues that those stories raised and that the Green Paper will outline steps to address those matters. It is important, however, not to forget about statistics completely. For example, 14,000 people have lost access to mobility vehicles as a result of the replacement of disability living allowance with PIP. That causes obvious problems for those trying to seek or maintain employment.

Parkinson’s UK’s statistical research shows that more than 17,000 people between the ages of 20 and 64 are living with Parkinson’s across the UK. Those individuals have an average working life of 3.4 to 4.9 years after diagnosis, and a mean retirement age of 55.8 years compared with the then UK average of 62 years. As the hon. Member for South Down (Ms Ritchie) said, financial support is critical to those people and the cuts are harming opportunities. Those statistics and many others like them that relate to individuals living with other diseases and disabilities highlight the challenges and opportunities that a disability presents to a person’s employment.

Parkinson’s UK notes that people with the condition have experiences that mirror the general trend of people with disabilities in that they are less likely to be in employment and more likely to experience unfair treatment at work than someone without a disability. That highlights the double focus that any employment and disability legislation must address: how to increase opportunities for disabled people who are out of work while ensuring that those in employment have all the support available to remain and progress in their roles.

In the 2015 spending review, it was announced that the Work programme and Work Choice would be replaced in 2017 by a new Work and Health programme. Although the scheme will be targeted at a reduced number of participants, Leonard Cheshire Disability highlighted that payments will be spread more thinly as annual expenditure for the scheme will be £130 million by 2020—an 80% reduction on the current combined expenditure on the Work programme and Work Choice. Time does not allow further discussion of all recommendations made by Leonard Cheshire Disability, but I recommend its briefing paper to all hon. Members.
Back when we were waiting on the White Paper, the spending review and the autumn statement 2015 promised it would contain “reforms to improve support for people with health conditions and disabilities, including exploring the roles of employers, to further reduce the disability employment gap and promote integration across health and employment.”

I hope that the Green Paper—when it appears—will contain those aims alongside proposals of how best to achieve them. The Government have already lost valuable time on making progress in disability employment by withdrawing their commitment to publish a White Paper and by delaying the publication of the Green Paper, with no date yet agreed.

It is our responsibility to work towards the day when every person is equally valued. In doing so we will ensure that disabled people have the freedom to live their lives as they choose and to participate fully in society, and our society as a whole will be immensely better off for it. I therefore hope that the Minister will heed these words and ensure that that becomes a reality as soon as possible.

10.30 am

Dr Eilidh Whiteford (Banff and Buchan) (SNP): I commend the hon. Member for St Ives (Derek Thomas) and the other hon. Members who have spoken in today’s debate. Between Cornwall, Northern Ireland and Scotland, the Celtic fringes have been well represented this morning. I just wonder where everyone else is.

We debated this subject in the main Chamber a few weeks ago, and many of the issues raised in that debate have been rehearsed today. I note the hon. Gentleman’s special interest in the lives of learning disabled adults, which I am sure we all share, but it is important that we have had a broader debate today. The hon. Members for South Down (Ms Ritchie) and for Glasgow East (Natalie McGarry) made helpful distinctions between the different challenges faced by those with lifelong disabilities and those with acquired disabilities. My hon. Friend the Member for Airdrie and Shotts (Neil Gray) and others set out the wider context of disabled people’s lives.

I still have deep-seated concerns about the difficulties that disabled people face in accessing the labour market and staying in work, especially those with more severe and fluctuating conditions. I have pointed out many times the flaws in the current system and how they combine to make circumstances extremely challenging for those who have to overcome barriers to employment because of disability or health conditions. Those flaws include the shortcomings of the work capability assessment; the failures of the Work programme; the devastating impact of the new sanctions regime on people who are found potentially fit for work or work-related activity but who cannot comply with the conditions attached to their ESA or jobseeker’s allowance; support being cut in people’s transition from DLA to PIP; and people’s income being reduced by cuts to ESA and work allowances.

Life has got a whole lot harder for many disabled people over the past few years. The support for many of those who are in work has been reduced, and those who are looking for work or taking part in work-related activity have been put under enormous pressure to comply with unrealistic conditions. Those who are not fit for work have too often felt themselves to be scapegoated or demonised as shirkers and malingerers and subjected to repeated and counterproductive assessments of their fitness to work. Too many disabled people, both in and out of work, have experienced a lack of respect and understanding in their encounters with the state and have felt their dignity undermined.

Austerity has taken a very heavy toll on disabled people, yet there has not been much gain for all that pain. The rate of disabled people’s employment has been stuck for quite some time. I have previously been very critical of the assumption at the heart of Government that the support offered to sick and disabled people through social security creates, to quote the Chancellor, “perverse incentives” to keep them out of the workforce. There is no evidence that slashing the incomes of sick and disabled people helps them to find work. Quite the reverse: austerity has compromised the health and wellbeing not only of sick and disabled people but of the family members who support and look after them. Taking away the entitlement to a Motability car from thousands of people makes it significantly harder for them to sustain employment or to get into work. It reduces their options and increases their dependency on family members.

Raising the bar on entitlement to support means that carers of those who lose benefits also lose their support but still have to provide the care for free.

I have met too many constituents with long-term health conditions who have fallen through the safety net of social security. Despite having worked and contributed for decades prior to the breakdown of their health, they have dropped out of the system altogether. Frankly, I am sick of referring people for church food parcels who should be getting better support from statutory agencies. There is recognition on both sides of the House that the UK needs to take a very different approach. The Government promised us a White Paper in the spring; then it was summer; then it was a Green Paper, and now the prospect has since been batted even further into the long grass. Yes, let us take time to reflect and to get this right, but we still need a timescale. I sincerely hope that the Minister will set that out today—this is a great opportunity to do so.

The consultation period ahead of the Green Paper gives the Government an opportunity to get disabled people around the table, along with organisations that represent their interests. There is a lot of expertise out there, and valuable perspectives on what does and does not work. For instance, Disability Agenda Scotland points out that the Work Choice programme has been far more effective in delivering results—sustained employment—than the Work programme and provides more intensive and extensive support for participants. A third of those taking part in the Work Choice programme delivered by the employability service of the Scottish Association for Mental Health find sustained employment, which is significantly more than for any other approach of which I am aware. Advisers have limited case loads and spend much more time with each person and with employers, and they also help people to apply for Access to Work funding.

In contrast, most of the emphasis in current programmes is on helping to prepare and equip unemployed disabled people for the workplace. If we want real and lasting change, the real trick is to prepare and equip employers not just to take on more disabled staff but to retain staff who become disabled or develop long-term health problems.
Access to Work can play a crucial role in aligning the needs of businesses with employment programme outcomes, but it can also help businesses to adapt when a valued employee develops a condition that makes it harder for them to do their job. I wholly accept that certain jobs and certain conditions may be incompatible, but there are many, many occupations that can be sustained with the right adaptations.

This cannot just be about changing employers’ attitudes. Let us acknowledge that the take-up of schemes such as Disability Confident has been fairly low. We have seen some degree of cultural change in recent years in terms of flexible working, which has probably been driven more by labour market requirements than by concerns about disabled people’s employment rights. We should also remember that flexibilities have cut both ways, with a sharp rise in zero-hours contracts and more insecure and unpredictable working patterns. The hon. Member for South Down, echoed by the hon. Member for Upper Bann (David Simpson), made a good point about legal and human rights protections for disabled people, and those issues need to be part of our debate—they are perhaps more contextually important now than they have been for some time in the wake of the events of the past couple of weeks.

In general, large public sector and voluntary organisations have been much more successful than smaller employers in employing disabled people, perhaps because they are more likely to have professional human resources or occupational health staff in situ. It might also be easier for larger organisations to cover unplanned absences. The challenges of taking on someone with, for example, a fluctuating condition are likely to be far more acute for a small business or in certain manufacturing processes. Encouraging cultural change will not cut it if there are no resources to back that up. We need to make it much easier and more affordable for employers to do more to support their disabled staff and to keep them in work.

Small and medium-sized businesses in particular need cost-effective ways of managing and mitigating what they see as the risks of taking on staff with a chequered work history. Most jobs in the UK are with small and medium-sized enterprises, which will therefore provide most of the opportunities for disabled staff. The potential win-win for employees and businesses will be huge if those hurdles can be overcome, but there is a need to build confidence by improving concrete support for employers in the event that, say, someone with a fluctuating condition has a relapse or goes through a spell where they cannot work at full capacity. If employers do not have some means of insulating themselves from such unpredictable situations, we are unlikely to make much headway in reducing the employment gap for disabled people.

The last time we debated these issues, I referred to the Resolution Foundation’s recent report on the retention deficit in employment. The report makes lots of practical suggestions for policy change, such as keeping a person’s job open for up to a year after the start of their sickness absence. The model is similar to maternity leave. It would help people to stay in work and it could also be of huge benefit to people who are recovering from illness and who are expected to make a full recovery, but it will only work if, say, we reimburse the statutory sick pay costs of firms that support their employees to make a successful return to work. I hope the Government are seriously considering those recommendations.

The Resolution Foundation also recommends making early referrals to support for people who find that they are unlikely to be able to return to their previous job, which will be a growing demographic challenge. We should not wait until someone becomes long-term unemployed before making targeted and individualised interventions. For those forced to leave work, the loss of personal confidence and social contact often pushes them further away from the labour market. I therefore hope that the Government take all that work on board.

In the absence of a Green Paper, disabled stakeholders, disability groups, community organisations, carers, employers and, indeed, MPs are all scrabbling about in the dark. The process needs to be transparent and inclusive, and I hope the Minister will get it properly under way and set out a timetable as soon as is feasible.
This debate comes down to whether the Government believe in the principles underpinning the UN convention on the rights of persons with disabilities, to which we are signatories. Fundamentally, they are that disabled people should be able to participate fully in all aspects of society, including work, and to access the same opportunities as everyone else, including opportunities to use their talents and skills to the best of their ability. No one should feel they are unable to reach their best potential or that their hopes and dreams do not matter. Do the Government support the principles and articles of the UN convention? If so, when will they publish their response to the UN committee’s report investigating the UK’s breaches of the convention?

What is the Government’s planned negotiating position in relation to disabled people with regards to the exit of the EU? What EU legislation tackling disability discrimination and enhancing accessibility for disabled people will we retain? For example, will we retain the 2000 employment equality framework directive prohibiting disability discrimination, which dramatically strengthens UK disability employment law?

The Government set the tone for culture and society, and this Government have made their views abundantly clear through their swingeing cuts to social security support for disabled people, including the recent ESA WRAG cut of £1,500 a year, and an overhaul of the work capability assessment process, which has managed to be both dehumanising and ineffective and has been associated with profound mental health effects, including suicides. The Government’s sanctions policy, targeting the most vulnerable, has brought people to the brink—and sadly, people have died under it—and the personal independence payment debacle is making it harder for disabled people to stay in work. There is also the closure of the independent living fund. I could go on, but I will not, due to the shortage of time.

This is happening across all Departments. In the Department for Business, Innovation and Skills, the Department for Transport, the Department for Education, the Ministry of Justice and the Department for Culture, Media and Sport, disabled people are being marginalised. Given that 12 out of 14 economic analyses forecast an economic downturn over at least the next year, will the Minister ensure that public spending for disabled people will not be hit yet again? I would like a clear response on that point.

The UN Committee on Economic, Social and Cultural Rights published its report last week on this Government’s austerity agenda, and the recommendations were damning. On unemployment for disabled people, the committee recommended that the Government “review its employment policies to address the root causes for unemployment and include in its action plan time-bound goals with a specific focus on groups disproportionately affected by unemployment, such as...persons with disabilities.”

The committee also recommended that the Government review their austerity policies and programmes introduced since 2010 and “conduct a comprehensive assessment of the cumulative impact of these measures on the enjoyment of economic, social and cultural rights by disadvantaged and marginalised individuals and groups, in particular women, children and persons with disabilities”.

On social security, the committee recommended that the Government “reverse the cuts in social security benefits introduced by the Welfare Reform Act 2012 and the Welfare Reform and Work Act 2016”.

Will the Minister commit to implementing the UN’s recommendations on issues highlighted by Labour Members for many years now, address the disability employment gap effectively, produce a cumulative impact assessment and reverse the measures in the 2012 and 2016 Acts that have had a devastating effect on many disabled people?

What needs to happen? Addressing those issues, including the disability employment gap, needs political will. If 90% of disability is acquired, why are we doing so little to help employers to retain skilled and experienced employees who may become poorly or disabled? We need practical measures to support disabled people at work, enabling them to thrive and protecting them from leaving the labour market prematurely. Some disability charities have recommended more flexible leave arrangements, as well as extending Access to Work. Even if the Government do finally increase Access to Work from the 37,000 or so who were helped last year, it will still be available only to a tiny proportion of the 1.3 million disabled people who are fit for work. In the current economic climate, what assurances has the Minister had from his colleagues that Access to Work funds will be increased?

The Disability Confident scheme needs to be rebooted. The latest revelations that only 40 mainstream private sector employers across the UK have been involved since its inception three years ago show that the scheme is, to put it mildly, clearly inadequate. What measures are in place to monitor its efficacy? For those employers who work hard to recruit and retain disabled employees, how does the scheme apply to their procurement policies and supply chains?

Of course, more needs to be done to help disabled people back into work. As we have argued for over a year, the WCA must be replaced with a more holistic, whole-person assessment. The current system to assess eligibility for social security support is not fit for purpose and should be completely overhauled. However, such changes would also need to be reflected in new departmental and Jobcentre Plus key performance indicators that do not focus just on getting people “off flow” as a successful outcome. Given that so many of those people also have live arrangements, as well as extending Access to Work. Even if the Government do finally increase Access to Work from the 37,000 or so who were helped last year, it will still be available only to a tiny proportion of the 1.3 million disabled people who are fit for work. In the current economic climate, what assurances has the Minister had from his colleagues that Access to Work funds will be increased?

Instead of the increasingly punitive sanctions system, more appropriate support is needed. It is also essential to maintain and increase specialist disability employment advisers in jobcentres, as several hon. Members have said. The current figure of fewer than one such adviser to 600 disabled people will not contribute to halving the disability employment gap. I would also like to see advisers’ role extended to working with businesses.

Current commissioning and payments for the Work programme and other welfare to work programmes need rethinking as well. We must improve specialist support, looking at what works. Although Work Choice has better outcomes than other programmes, it may not be the only solution. The individual placement and support scheme for people with mental health conditions is another example.

As we have said before, greater integration is also needed between Departments: not just between the Department for Work and Pensions and the national
health service, but between the Department for Business, Innovation and Skills and those bodies responsible for economic development. For example, if someone with a musculoskeletal issue or a mental health condition needs to take time off work, they need appropriate early intervention to help them back to work. We need to understand the bottlenecks in the local system that might affect that. We also need to reflect on the drive for flexible labour markets and what it means for supporting people with long-term or fluctuating conditions back into work—or, most probably, out of work, then back into work and so on.

There are clear geographical variations in the disability employment gap, but also in the strength of local economies and the availability and type of jobs, as the hon. Member for Glasgow East made clear in her intervention. It is well established that the prevalence and geographical pattern of sick and disabled people reflects the industrial heritage of our country. Contrary to the Government’s “shirkers and scroungers” narrative, incapacity benefit and ESA are recognised as good population health indicators.

It is also clear that local economic conditions—whether the economy is thriving or not—will determine how readily sick and disabled people will be able to return to work. Again, geographical analysis shows that people with equivalent conditions in the economically buoyant London and the south-east are more likely to be in work than those in Northern Ireland, Scotland, the north-east, the north-west or Wales.

It is more than 70 years since legislation was first introduced to prohibit employment-related discrimination against disabled people. Sadly, we are still fighting to address such discrimination and the inequality in employment still faced by disabled people. Changing attitudes and behaviour needs cultural change. We in the Labour party will always promote that change and work to improve the lives of people with disabilities.

10.49 am

The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson): It is a pleasure to serve under your chairmanship, Mr Stringer. I pay tribute to my hon. Friend the Member for St Ives (Derek Thomas), not only for his 20 years of experience, but for his powerful and well respected speech today. I met with him previously to learn at first hand of his experiences and knowledge in this area, and I was incredibly impressed in that meeting. I want to make it clear that as we work towards the Green Paper, and then the White Paper, he has to be very much at the heart of that, drawing on his previous experiences and knowledge in this area, and I was incredibly impressed in that meeting. I want to make it clear that as we work towards the Green Paper, and then the White Paper, he has to be very much at the heart of that, drawing on his vast experience, and also the experience of his very popular mother-in-law.

I pay tribute to Manna’s Diner, to the Mustard Seed charity, to Cornwall People First—just to reassure the gentleman who was concerned about using the bus before 9.30 am, that is an example of where Access to Work could help, so it is worth looking at that—to Rebuild South West, to Helston and the Lizard Works and to Cheshire Homes. I trust I have remembered all the organisations my hon. Friend mentioned, and I put on record my thanks for all the great work they have done. He summed up his own speech perfectly with the three phrases about brilliant organisations. We need to empower those organisations to ensure they are at the heart of helping disabled people to find work, and they are well placed to help because they have the local knowledge, connections and goodwill, which are absolutely integral, and are familiar with the challenge of accessing cash.

I will whistle through some of the questions asked by other Members and then set out what the Government aim to do. I thank all the speakers in this proactive and positive debate; if I miss anything raised today, I will be happy to meet any individual MP face to face, as I have already done with a number of colleagues. The hon. Members for South Down (Ms Ritchie) and for Strangford (Jim Shannon) highlighted the importance of employers recognising changing circumstances and opportunities. They also touched on funding, which was picked up by many other speakers. The Government are increasing funding to support people with disabilities and long-term health conditions every single year of this Parliament, right through to 2020. We are currently spending £3 billion a year more than when we came into office. The hon. Member for Strangford highlighted the importance of Mencap, which is at the heart of the work we do; its policy team is very proactive.

The hon. Member for Glasgow East (Natalie McGarry) and others mentioned disability advisers. The situation is now being changed: we are rapidly re-recruiting and are looking to get to 500 disability advisers.

I thank the hon. Member for Upper Bann (David Simpson) for committing to hold a reverse jobs fair. More than 50 MPs across the parties have signed up for that—I had one in my own constituency. I will return to that shortly.

Mr Robin Walker: The Minister and I have discussed reverse jobs fairs before, and I want to give him some feedback from my reverse jobs fair in Worcester. When I opened the new Waitrose in Worcester the other day, I was introduced to one of its partners, who was completely deaf and who was hired as a result of that Disability Confidence initiative.

Justin Tomlinson: I thank my hon. Friend, who is one of the most proactive MPs in supporting our initiatives. He is a real credit to his constituency.

I understand the point made by the hon. Member for Airdrie and Shotts (Neil Gray) about the Green Paper; I will come back to that later. He and others raised the issue of Motability cars; we have increased the number of people accessing the Motability scheme by 22,000. I reassure him that Parkinson’s UK, who I met again yesterday, and Leonard Cheshire are two major stakeholders who are very much involved in the work we are doing.

The hon. Member for Banff and Buchan (Dr Whiteford) mentioned the Resolution Foundation report. I attended and spoke at the launch, and the foundation has asked some important questions and has made its own suggestions and recommendations, which can be considered in the Green Paper.

I congratulate the hon. Member forWirral West (Margaret Greenwood) on stepping up to be my shadow today. As I said, we are increasing funding. The work capability assessment is not perfect. It was introduced by the Labour Government, who made tweaks to it...
themselves. The coalition Government made tweaks and we have tried to make tweaks. We all accept that it has to change; that is a given, and we will look at that in the Green Paper. It is important to remember that the personal independence payment is not work-related—it is separate. It is ESA that is work-related. On the change from the disability living allowance to PIP, only 16.5% of claimants accessed the highest rate of benefit under the DLA; under PIP the figure is 22.5%. As a benefit, the PIP is far better at accessing the most vulnerable in society and providing them with adequate support.

Access to Work helped 37,000 people last year. I understand that, as an absolute number, that is a relatively small percentage, but we must remember that not everybody on Access to Work has a lifetime award—sometimes it is a one-off adjustment or an occasional adjustment—so the scheme actually helps far more than that. We have had confirmation of an increase in funding for an additional 25,000 places, and we are actively doing all we can to let small and medium-sized businesses in particular, which are responsible for 45% of jobs, know about the scheme. I will come to Disability Confident, and I have already covered the disability advisers.

The Government are committed to halving the disability employment gap. That was announced personally by the Prime Minister, which gives me some extra bargaining tools when I talk to other Departments, to the public sector and to the private sector. Disability Confident is an important part of that. Some 690 organisations have now signed up; we are making changes to the scheme, with greater asks of larger employers in particular, and are recruiting more than 100 organisations a month now, so it is beginning to accelerate quickly.

My hon. Friend the Member for St Ives made the very powerful point that employers are nervous and we need to build trust. That is absolutely right. Disability Confident is part of that process, with signposting and sharing best practice, along with reverse jobs fairs, which I am encouraging all MPs to get involved in, particularly those who are most critical of the Government. They can do their bit to be proactive and host their own reverse jobs fairs. The way it works is that I got 22 local organisations in my constituency—the sorts that my hon. Friend the Member for St Ives highlighted in his examples—into a room. Working with local media, I got more than 70 small and medium-sized businesses that were looking to recruit people to come into that room and say, “These are the skill gaps that we’ve got.” We introduced them to those organisations and lots of job outcomes came from that.

Building on that, we decided to carry out a pilot of small employer officers, who literally doorstepped local employers and, over a cup of tea, discussed the huge hidden talent that could be matched to those employers’ skills gaps. Those pilots have been really successful, and I am pushing hard for them to be rolled out nationally, as part of the summer Budget funding. Working with the disability advisers in the jobcentre and all the support organisations, whether national providers or local charities, we can get the busy small and medium-sized businesses that are lacking confidence and knowledge of the talent that is out there, and hook them together.

That is crucial, because I have seen so many disabled people who are playing by the rules, engaging with the Work programme, the Work Choice programme or the different charities, and doing their bit to find work. Without opportunities at the end of that, they will continue to loop round the system, getting ever less confident and ever further away from the jobs market. Everything we do has to be underlined by matching that up to employers. I am really excited by what a difference that can make, and I have seen from working with employers how tangible that difference can be.

Learning disabilities were at the heart of the speech made by my hon. Friend the Member for St Ives. Those with a learning disability have a 6% chance of having a meaningful and sustainable career. As a group, they are the furthest away from the jobs market. All Governments of all political persuasions have tried and have tweaked, but have not budge that figure.

I recently visited Foxes Academy near Bridgwater, which had set up an old hotel. In their town, the opportunities are in hotels, restaurants and care homes, so those are the skills they provide for their young adults—the equivalent of sixth form—as well as teaching skills for independent living. In their third year, students go and have a supported year in industry, after which 80% of them remain in work, of which 45.6% are in paid work. Even the conservative figure of 45.6% is so much better than 6%.

I challenge officials in the Department for Business, Innovation and Skills to say “The Government are committed to 3 million more apprenticeships. Why are we not doing more to open them up, particularly to those with learning disabilities?” We set up a taskforce, which has now concluded, and we will shortly be announcing its recommendations. If we can open up access to those 3 million places, that will make a huge difference.

The Green Paper is a priority for the Government. It is well supported by stakeholders, who understand that, as my hon. Friend the Member for St Ives set out so clearly, when we use their experience and knowledge, we can make real and good decisions. But it cannot be rushed; we have to do it as and when we get all the right questions answered and the right information. It will come this year and will be done in the right and proper manner with the full support of the stakeholders who I regularly engage with.

We will continue to work with the jobcentre network to upskill. Universal credit will give individuals the opportunity, for the first time, to have a named coach who will support them both in getting into work and once they are in work. I am proud of our record: 360,000 more disabled people in work in the last two years. It is right that local best practice should be integral to that.

Margaret Greenwood: Will the Minister give way?
Justin Tomlinson: I need to conclude, to allow my hon. Friend the Member for St Ives time for his final remarks.

10.59 am

Derek Thomas: I am grateful to the hon. Member for St Ives, who have contributed to this valuable debate, and to the many organisations, including Scope, Leonard Cheshire and Cornwall People First, that have helped to inform it. Breaking down the barriers to employment for people
who live with disabilities is a very real and important challenge. I would not have requested this debate if I thought I was wasting my time, other Members’ time or, indeed, your time, Mr Stringer. I am here because I am confident that the Minister understands the urgency and the importance of the issue and the opportunities presented if we get this right.

I want to live in a society that refuses to accept the barriers that currently exist for so many. I believe in equal opportunities and a richer economy and a richer society if we deliver for our most vulnerable people. Finally, I would like to say that I will be holding my own reverse jobs fair in October.

Motion lapsed (Standing Order No. 10(6)).
At the time of the by-election, Plaid Cymru was in a very bad position. We had contested 23 Welsh constituencies in the 1966 general election and lost deposits in every seat but two. There were real divisions within the national movement about the way forward following the election, and about the despair felt at the powerlessness of the people of Wales to stop the drowning of our valleys for English exploitation once Tryweryn had been opened.

The party, in a Brexit state of financial despair, was only able to fight the by-election following the generosity of that other great political leader of Carmarthenshire, D. J. Williams, who sold his family home, Penrhiw in Rhydycymerau. In a result that changed history, Gwynfor won 39% of the vote and secured a majority of 2,000. It was an earthquake that shook Welsh and UK politics to its core. It blew apart the myth that Plaid Cymru could never win a parliamentary election. It inspired generations to fight for the cause of Wales and, thankfully, secured the principle that the national movement could achieve its political objectives via constitutional means.

Mike Weir (Angus) (SNP): I join in the tribute to Gwynfor, who I met once when he was campaigning for S4C. The Carmarthen by-election laid the ground for the fantastic by-election in Hamilton the following year, when Winnie Ewing won for the Scottish National party and started the rise of our party. We pay great tribute to Gwynfor and to the history of both our parties.

Jonathan Edwards: I am grateful for that intervention, which shows the very close links between Plaid Cymru and the SNP. I shall be referring to the Hamilton by-election shortly.

Gwynfor's victory was no fluke. In March 1967, Vic Davies won 39.9% of the vote in the Rhondda and cut the Labour majority to just 2,000. In 1968, the polymath Professor Phil Williams won more than 40% of the vote in Caerphilly, losing by only 1,800 votes, with a swing of 29%. The Prime Minister, Harold Wilson, was in a state of panic about the national upsurge in Wales and Scotland, where the SNP's Winnie Ewing had won for the Scottish National party and started the rise of our party. We pay great tribute to Gwynfor and to the history of both our parties.

For Plaid Cymru, Gwynfor's victory led to representation in this House over the past 50 years by politicians of incredible calibre. Gwynfor was followed by Dafydd Wigley and Dafydd Elis-Thomas in 1974; Ieuan Wyn Jones in 1987; Cynog Dafis and Elfyn Llwyd in 1992; Simon Thomas in 1997; and my direct predecessor, Adam Price, and Plaid Cymru's current parliamentary leader, my hon. Friend the Member for Arfon (Hywel Williams), in 2001. I was elected in 2010, and my talented hon. Friend the Member for Dwyfor Meirionnydd (Liz Saville Roberts) was elected in 2015. I genuinely stand on the shoulders of giants—politicians whose names will be celebrated in Welsh history for eternity. Without Gwynfor, though, it is highly unlikely that any of the aforementioned individuals would have grasped this place and made their own vital contributions in developing our nation.

In this House, Gwynfor made his mark on a plethora of political subjects. His deep commitment on issues such as nuclear disarmament, industrial democracy, social co-operation and international concord allowed him to make a significant impact on Westminster politics. Men of conviction often face ridicule from their detractors. As they say, “First they ignore you, then they fight you, then they agree with you”. That was certainly the case for Gwynfor, who faced personal hostility unworthy of this House. However, much like other great political leaders across the world, from Ghandi to Mandela, at the time of his death there was a general recognition across the political spectrum that his contribution transcended partisan lines.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Does my hon. Friend agree that it is a credit to Gwynfor Evans’ vision of nation building that the poll to which he referred earlier shows that Plaid Cymru’s support is at its highest ever level?

Jonathan Edwards: I am grateful for my hon. Friend’s intervention. I definitely believe that we would not be where we are without Gwynfor’s contribution. Even if they did not agree with him, everybody accepted that he based his politics on principle, and that everything he did was aimed at creating a better Wales.

Gwynfor was born in 1912 in the Barry. He was brought up in a deeply Christian family, and his religious non-conformism was very important to him. Despite the huge political pressures on him, Gwynfor continued to teach Sunday school at his local chapel in Llangadog after moving to Carmarthenshire. While I was doing research for this speech, I learned of Gwynfor’s great love of cricket. He represented the Welsh schools team during the 1930 season. Since being elected, I have campaigned for a Welsh national side. Considering the fact that in the past decade our great nation has reached a rugby world cup semi-final and won three grand slams, and that tomorrow our football team will play for a place in the Euro 2016 final—I am wearing a Welsh national football tie in their honour—it is about time we had a national cricket team.

Gwynfor awakened to the cause of Wales while at Aberystwyth University. It must be contiguous, as both myself and my hon. Friend the Member for Dwyfor Meirionnydd were fortunate enough to study there, as was the Under-Secretary of State for Wales—I am delighted to see him in his place and that he will be responding to the debate. I am informed that the piece of literature that sealed the proverbial deal was the masterpiece “The Economics of Welsh Self-Government”, by my political hero D. J. Davies. D. J. had written his booklet in 1931, and by 1934 Gwynfor was a fully paid up member of Plaid Cymru. As Gwynfor’s biographer, the BBC journalist Rhys Evans, said, that changed Welsh history:

“It was Gwynfor who created the national movement…Gwynfor was also the founder of the Parliament for Wales campaign…There is now a lasting memorial to that organisation in Cardiff Bay—it is the Assembly, the unmistakable symbol, for better or worse, of the desire of the people of Wales to live as a democratic nation.”

In 1937, Gwynfor became a member of the party’s national executive committee and by 1943 he was vice-president. Then, at the Llangollen conference of 1945, just five days before the atomic bomb exploded over Hiroshima, he was elected as president of Plaid Cymru, aged just 32. He would remain the party’s leading political figure for the next 36 years.
Despite his burning nationalism, it is important to remember that Gwynfor was a great internationalist. He was also a committed pacifist, so I am sure that he would have been proud that I am probably the only living person on Earth who has entered the Pentagon and proclaimed, in a meeting with the top military brass, that I am a member of an anti-war party. I am sure Gwynfor would have enjoyed my mischievous intentions.

For Gwynfor, his pacifism was arguably even more important than his nationalism, and he campaigned vigorously against the Vietnam war. His economics strongly supported economic units that are larger than nations, which I suppose is a lesson for Brexiteers. He believed that a free market is a device that safeguards the individuality of nations. He strongly supported a British single market and I suspect that if he were alive today he would be doing everything he could to secure tariff-free access to the European single market.

It is not called “the national struggle” for nothing, and Gwynfor’s career is living proof of that. He had to overcome several bitter electoral losses. In his darkest moments, he would walk from his home in Talar Wen, near Llangadog, and climb the slopes of the Garn Goch. Like many of my fellow citizens, I find that our beautiful landscape is a source of endless inspiration and therapy. The love for our land and our people is the basis of our politics. It is fitting, therefore, that Gwynfor’s memorial is suitably located on that barren mountain, which overlooks the beautiful Tywi valley.

However, there is no doubt that for Gwynfor the biggest political blow was the devastating loss of the 1979 referendum. With a Government majority of only three, Plaid Cymru and Scottish National party MPs skilfully forced the concession of national referendums in their respective countries. While Scotland voted yes, Gwynfor suspected that the decision of the Home Secretary was a case of the Westminster establishment taking advantage of the desperation in the national movement. The response in Wales to the decision was uproar. Getting both main Westminster parties to agree to a Welsh TV channel had been one of the great successes of the Welsh national movement in the 1970s, which was won only after heavy terms of imprisonment had been imposed on many patriots. For the language campaigners of Cymdeithas Yr aith, the TV channel was a priority if Welsh had any hope of surviving as a living language.

Gwynfor saw the decision as a direct attempt to break the spirit of the Welsh people once and for all. In his memoirs, he quotes the bard T Gwynn Jones:

“Ysbryd Gwlad! Os badog lu
Cas Iwyth fu’n ceisio’i lethu
Iddo trwy hyn ni ddaw tranc
Heb ddiweddi y bydd ieuanc.”

That roughly translates as:

“A country’s spirit! If treacherous and vicious throng ‘have tried to quench it, it will never be overcome by this, but will remain endlessly young.”

Gwynfor therefore viewed the decision as a direct challenge to the existence of the Welsh nation. Considering the crashing personal blows that he had just received, it says everything about the stature of the man that he had the clarity of thought to motivate himself once more. With patriots across the country—including some of the greats of the nation, such as Cynog Dafis, Meredyth Evans, Ned Thomas and Penner Davies—up in arms and even taking direct action against TV transmitters, Gwynfor committed himself to one last action for his country.

Dafydd Wigley has recounted how he and Gwynfor were returning in a car from a St David’s day dinner in Llanberis in 1980 when Gwynfor said, out of the blue, ‘That roughly translates as:

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Gwynfor was offered a peerage, but he turned it down flatly, telling the party’s new Westminster Leader, Dafydd Wigley, that there was only one Lord and that he did not abide in a palace on the banks of the Thames. A lesser man would have been crushed mentally and physically by the twin political blows of 1979. However, Gwynfor was about to embark on arguably his most famous battle.

The new Conservative Government had pledged during the election in 1979 to create a new Welsh language television channel. Gwynfor viewed such a channel as a vital step to help secure Welsh as a living language in the modern world. In his epic autobiography, “For the Sake of Wales – The Memoirs of Gwynfor Evans”, he recounts the battle for S4C in great detail. On 12 September 1979 in Cambridge, the new Home Secretary, William Whitelaw, announced in a surprise statement that the new Government would not honour their pledge to set up a new Welsh language channel.

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Dafydd Wigley has recounted how he and Gwynfor were returning in a car from a St David’s day dinner in Llanberis in 1980 when Gwynfor said, out of the blue, that he would not be with Dafydd the following year as it was his intention to fast until death over the betrayal of the new Government. Gwynfor did not expect the Thatcher Government to back down; he expected to die. However, it was a sacrifice he was willing to make, because his primary aim was to motivate the Welsh nation to believe once again in their country and face down the challenge of the British establishment.

Gwynfor decided that he would make his statement in May and, following the advice of his son-in-law, the great language campaigner Fred Ffransis, he decided to give the Government five months’ warning before beginning the hunger strike in his study in Talar Wen.
He would begin his fast to death on 5 October 1980, but before then he embarked on a national tour. The response of the Welsh establishment was hostile to say the least, but Gwynfor galvanised the national movement.

Media coverage extended far beyond the borders of Wales; The Sunday Times even carried a sympathetic article in the language of heaven itself. TV crews from Canada and Germany turned up at Talar Wen. Articles appeared in the main newspaper of Catalonia, in Scandinavia and in The New York Times. The campaign gained momentum, leading many people to plead with Gwynfor that he could achieve far more if he called off his threat to fast. However, his mind was set; he felt that he could achieve far more for Wales by dying than by living, and that that was the appropriate action to take.

Peter Hughes Griffiths and the party’s chief executive, Dafydd Williams, helped Gwynfor to arrange 22 meetings between 6 September and the beginning of the fast. About 2,000 people turned up to the launch of the series of talks at Sophia Gardens in Cardiff, the home of Welsh cricket. The following night, Gwynfor was in Glasgow, where over a thousand people attended the meeting at the McLellan Galleries. At the same time, the great and the good of Wales, including the Archbishop of Wales, Gwilym O Williams, Sir Goronwy Daniel, Michael Foot and Cledwyn Hughes, held meetings with Government Ministers and implored them to reconsider. However, Gwynfor received feedback that the Government had no intention of making a U-turn.

The speaking tour continued and, as Gwynfor wrote in his memoirs, there were signs that Welsh nationalism was on the verge of becoming an overwhelming force. He wrote that it is a simple truism that that is the only thing that Westminster fears in Wales, and it fears it greatly. I personally live for the day when the people of Wales grasp this simple reality, as the people of Scotland have.

On Wednesday 17 September, the Government yielded and Margaret Thatcher would perform her first and possibly her only U-turn as Prime Minister. However, Gwynfor’s first reaction was disappointment, not elation. He thought that a few more weeks of campaigning would have shifted the tectonic plates in Wales for ever.

The meeting that night was scheduled for Crymych, and when Gwynfor announced his intention to withdraw his threat of going on hunger strike, the 800-strong crowd erupted in emotion. It was his greatest political victory and to make the point somebody mischievously painted on the banks of the Embankment, opposite this House, “Gwynfor 1 - Thatcher 0”. We will settle for that score tomorrow night, Mr Stringer.

A half-hour debate of this nature could never do justice to the contribution of Gwynfor Evans. If I had a full day of debate, I could talk about Gwynfor the Christian, Gwynfor the internationalist, Gwynfor the pacifist, Gwynfor and Europe, and Gwynfor the historian. He was also a prolific writer, publishing well over a million words. If the opportunity to speak about Gwynfor arises again in future, I am confident that I would comfortably beat the record four-hour speech that William Gladstone made in this House when he delivered his 1853 Budget.

Following the events of the last few weeks, I have given some thought in preparing this speech to how Gwynfor would have reacted if he was alive today. It would not be right of me to presume to know the thinking of a far superior intellect than mine, but based on his writings I think we can safely assume that he would now be advancing the need for our country to position ourselves economically within a tariff-free single market as an imperative; that politically Wales must have the freedom to choose its own future; and that when the UK ceases to exist following Scottish independence, as I foresee, that will be a material change in condition, and our nation will again need to have a debate and a vote about where our future lies.

Gwynfor’s place in history is secure. He was chosen by readers of Wales on Sunday and the weekly Welsh-language publication Y Cymro as a millennium icon, ahead of Lloyd George and Aneurin Bevan, and even ahead of Owain Glyndŵr. Glyndwr was ranked the seventh most prominent global figure of the past millennia by The Sunday Times, which gives an indication of the esteem in which Gwynfor is held within Wales, and across the world.

Gwynfor Evans died at his home in Pencarreg on the morning of Thursday 21 April 2005, at the age of 92. His biographer, Rhys Evans, says:

“Gwynfor wanted to return to Garn Goch, to the soil, the land of Wales where his politics had taken root. Nevertheless, as his ashes blow in the wind, his legacy survives.”

As I said earlier, my great friend Dafydd Wigley offered incredible help in composing this speech. When I asked him to summarise Gwynfor’s political contribution to our country—and I will finish with this as I could not put it better myself—he replied:

“Gwynfor Evans was Wales’ greatest 20th century patriot. Without his dedication and unwavering determination, Wales wouldn’t today have the degree of national autonomy we enjoy and neither would the Welsh language have secured its official status. Future generations will look back to the 1966 by-election as a turning point in our history and salute the good people of Carmarthenshire for making it happen.”

Diolch yn fawr iawn.
**Guto Bebb**

This is a great opportunity to join in the tributes to the life of Gwynfor Evans, 50 years after the political earthquake of the 1966 by-election. As the hon. Gentleman clearly stated, the party of which Gwynfor Evans became the first MP was not performing particularly well in the 1960s; there was a question mark over its future, so the 1966 result was transformational. Indeed, it contributed to the development of the Scottish National party, with the 1967 Hamilton by-election. Subsequently, even though the 1970 general election saw Gwynfor Evans lose his seat, before regaining it in 1974, there was an SNP victory in Western Isles. As a result, there has been SNP or Plaid Cymru representation in this place since 1966, which, I would argue, has contributed to the gaiety of the Chamber.

As has been mentioned, it is fair to say that Gwynfor Evans was a great writer, although whether he was a great historian remains to be seen. My grandfather was considered to be a historian and he knew Gwynfor Evans very well. I am glad that, unlike the hon. Gentleman, I met Gwynfor Evans on more than one occasion. I was at a victorious rally in Porthmadog back in 1980 when Gwynfor Evans was carrying on with his tour in relation to the S4C issue, obviously after the U-turn. I think Gwynfor took a leaf out of my grandfather’s book regarding history. My grandfather used to say that history was about saying good things about good people and I think that Gwynfor Evans’s view of history was to say good things about Wales, regardless of the evidence, but that is no bad thing. The purpose of his writing was to inform but also to persuade, and that is something we can forgive in an activist historian. I would argue that there is a place for such a historian.

If ever there was a political career that tried to replicate that of Robert the Bruce, Gwynfor’s was it. Time and again he failed, and time and again he carried on regardless. He stood unsuccessfully in Meirionnydd on at least two occasions, if not three, but there was never a situation in which he acknowledged defeat. The way in which Gwynfor took on adversity and carried on campaigning for what he believed in is a lesson for anyone involved in politics, and it clearly shows that political success is not necessarily measured in election success. I think I am right in saying that Gwynfor won only two elections in his entire career, but his contribution is much greater than that of many other Welsh MPs who won many more.

It is important to highlight Gwynfor’s political career, but the influence of that career relates not to the fact that he was elected to this place but to the way in which he fought for the Welsh language and culture, and the way in which he put those issues on the agenda. Early in his career, Gwynfor argued for the need for official recognition of the Welsh language. That came to pass. We had the Welsh Language Act 1967, which was rather weak but a step in the right direction, and I am proud to be a member of the party that delivered the Welsh Language Act 1993. I would go as far as to say that perhaps that Act was more carefully considered than the Welsh Language (Wales) Measure 2011, which was passed by the Welsh Assembly, but that would be a controversial statement at this point in time, and would go against the nature of the debate.

It is fairly clear that without the victory that Gwynfor Evans secured in 1966, the 1967 Act and the 1993 Act would not have been passed. The contribution of the two Acts was to normalise the concept of the Welsh language as part and parcel of everyone’s daily life. It is important to realise that before the Acts were passed, it was perfectly conceivable for children to be raised speaking Welsh at home and knowing that they lived in Aberteifi, yet to see a sign saying “Cardigan” when they were driven in and out of the town. The difference that 50 years has made is that everyone in Wales is now aware, when they drive into Wales, that Wales is a bilingual country. Back in 1966, when Gwynfor won that by-election that was certainly not the case, and we should acknowledge his contribution to the Welsh language. Clearly, there is still work to be done, but there is no doubt that the work that was started with such passion by Gwynfor Evans should be continued.

It should also be highlighted that Gwynfor Evans’s commitment was not just to the Welsh language as a stand-alone issue but to Welsh culture as well. I think I am right in saying that he chaired more national Eisteddfod days than any other politician and probably more than any other figure in the 20th century. His commitment was total: he was a Welshman through and through and he lived and breathed the language. We should also acknowledge the contribution that his family have subsequently made. Gwynfor was not someone who spoke in public about the need for the Welsh language and Welsh culture and then did nothing at home; he also delivered, ensuring that his family followed in his footsteps.

A few other issues are worth touching upon. S4C has been a political hot potato since I came into this place in 2010, and I hope I have contributed to protecting the funding of the fourth channel. It is genuinely superb to have been able to follow the Welsh football team all the way to the semi-finals of the European championship, and to do that with Welsh commentators. I pay tribute to players such as Aaron Ramsey who have been happy to tweet in Welsh during the tournament. The fact that we have Welsh coverage and Welsh pundits, such as Malcolm Allen—a credit to Wales, who could challenge the Icelandic commentator—is entirely due to the contribution made by Gwynfor Evans. It is crucial, therefore, that we maintain the support for and the funding of S4C because of its contribution not just to the culture of Wales but to its economy.

I am pleased to have been able to respond to the debate in the manner that I think would have been expected. The debate is a tribute to an important parliamentarian, but also to a politician who made much more of an impact outside the Chambers of this place than within them. I was not aware of the comment Gwynfor Evans made when he was offered a peerage—that there was only one Lord and that he did not reside on the bank of the Thames—and I leave hon. Members with this controversial comment: it is interesting that two of Gwynfor’s successors as party leader did not share that view.

**Question put and agreed to.**

11.29 am

**Sitting adjourned.**
Energy Network Charges

[MRS ANNE MAIN in the Chair]

2.30 pm

Ian Blackford (Ross, Skye and Lochaber) (SNP): I beg to move,

That this House has considered regional differences in energy network charges.

It is a pleasure to serve under your chairmanship, Mrs Main, in this debate about the sharp regional differences in energy network charges that penalise consumers and businesses in certain parts of the United Kingdom. This Government like to talk about being a one nation Government. If the Minister believes that to be the case, I ask him to reflect on why consumers in the highlands and islands have to pay a premium for their electricity. I acknowledge that the previous Labour Government introduced a hydro benefit replacement scheme in 2005 to partially take account of higher distribution costs and that that support is being continued. The Minister, who I look forward to hearing from later, said late last year:

“It is not right that people face higher electricity costs just because of where they live”. I agree with the hon. Lady, and it was a pretty fundamental statement that she made.

This debate is not just about the highlands and islands; there are 14 regional markets throughout the United Kingdom, with different levels of network charges. Nor is it about price competition. It is about a regulated charge varying from region to region through a price control framework. The reality is that a person living in the highlands and islands will pay for the privilege of doing so, courtesy of the UK Government. Electricity distribution charges for the north of Scotland are an eye-watering 84% higher than the distribution charges for London. One nation? Whose nation? It is not mine, or that of my hon. Friends here today. Westminster calls the tune; highlanders and islanders pay the price.

We pay a high price for transmission charges, and we also have a high rate of energy consumption. The highlands and islands are noted for windy and wet conditions. It is not unusual for folk in the highlands to have their heating on all year round.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): My hon. Friend is making a good point about the travails of people living in the highlands and islands and the fact that they face additional charges and costs. Does he agree that many of those consumers are off the grid and rely on Calor gas or oil for their heating? Ofgem should regulate such things, as well as the normal transmissions.

Ian Blackford: I am grateful to my hon. Friend for making that very valid point, which was raised in a recent Ofgem report. Perhaps the Minister will reflect on what we can do to give support to those on off-grid connections.

A recent study by Ofgem noted that households in the north of Scotland that use electricity for heating would benefit from a cost reduction of about £60 a year if there was a universal network charge. That would have a significant impact on the budget of someone on a low income or a pensioner.

Not only are we faced with high transmission charges, but many consumers in the highlands and islands suffer from a lack of choice in energy provision. As my hon. Friend just mentioned, many households cannot access grid connections for gas, among other things, and have to rely on other sources of fuel. It is often a choice between electricity and domestic heating oil. With such limitations, the last thing we need is price discrimination—that is what it is—being foisted on us by a Westminster Government. Where people live should not result in them being penalised through paying higher network charges. Where is the one nation that the Government speak of? It should be about equity and fairness, but that does not exist today.

We have heard a lot since the European referendum about those who are left behind. We often hear that it is a priority for this Government to tackle fuel poverty, but fuel poverty is exacerbated by having higher network charges in the highlands and islands. I will focus on fuel poverty because there is a clear link between higher prices resulting from network charges and fuel poverty.

I am grateful to Changeworks, which has estimated the percentage of households in fuel poverty in the highlands region. It bands each locality in the highlands into groups. On its calculations, no district in my constituency has less than 47.9% of households in fuel poverty; indeed, in a number of districts fuel poverty is evident in at least 73.5% of households. I look across from my constituency to Na h-Eileanan an Iar, where fuel poverty affects 71% of households. That should shame every single Member of this House and every Government Member. Why should we accept that such a percentage of households in a wealthy country such as this should be in fuel poverty? It should be a priority for the Government to tackle the issue and eradicate such high levels of fuel poverty.

The Minister of State, Department of Energy and Climate Change (Andrea Leadsom): I am listening carefully to the hon. Gentleman, but he must accept that while the UK Government are doing all they can to support Scotland, this is a devolved issue, so the Scottish Government are responsible for tackling fuel poverty in Scotland. He will be aware that only last week, the Scottish Government stated that their 2016 eradication target would not be met. I am very happy to talk about what the UK Government are doing, but I am not comfortable with him blaming it all on the United Kingdom. It is a devolved matter.

Ian Blackford: I hope that people in Scotland have listened to what the Minister just said. It was quite astonishing: blaming the Scottish Government for fuel poverty that is visited on households in Scotland as a direct response to things that are the responsibility of this Government and to the failure so far to deal with the matters we are discussing today, such as network charges. I have outlined to the Minister that people in the highlands and islands are paying 84% more for connection charges than people in London. That clearly demonstrates that it is the responsibility of the UK Government. How dare the Government turn around and blame the Scottish Government! The situation has...
arisen because of austerity and failure to take opportunities, and the responsibility for that lies fairly and squarely in the hands of Westminster.

Barry Gardiner (Brent North) (Lab): The hon. Gentleman is making a very passionate case. I agree that Ofgem in its October 2015 report found that electricity distribution charges are higher than average in the north of Scotland, but in contrast it found that electricity and gas transmission charges are higher in the south of England and lower in Scotland, and that gas distribution charges are higher in London and the south of England and lower in Scotland. Does he accept that there is a real issue with regional variation, but it is not unitary that Scotland is always disadvantaged by that variation?

Ian Blackford: I thank the hon. Gentleman for his comments, and I accept what he says to a degree: there are differences in gas transmission charges in other parts of the UK that are not fair. What is at the heart of the matter is that there should be fairness and a universal market. Why should people in Scotland pay more for their electricity than people in London, and why should people in London pay higher prices for gas? It is not right. We live in a unitary state; the transmission charges should be the same throughout the country. Focusing specifically on gas, my constituents in the main do not have access to a gas network. We are discriminated against because we are not on the mains.

Let me return to the issue of fuel poverty and heating costs. A recent report by Highlands and Islands Enterprise said that because of heating costs and other factors:

“The budgets that households need to achieve a minimum acceptable living standard in remote rural Scotland are typically 10-40 per cent higher than elsewhere in the UK.”

The highlands and islands of Scotland experience the harshest climatic conditions in the UK and record levels of fuel poverty. There is far greater area-wide dependence on the use of electricity for heating as well as lighting, but the standard unit price charged is 2p per kWh more than many other parts of the UK and 6p more than various economy tariffs that are on offer. Two pence might not sound like much, but it is a price premium of 15%. That is what the UK Government have done to consumers in Scotland. Let us hear no more about the Scottish Government and their responsibilities, because the responsibility for this lies fairly, squarely and solely in the hands of the Minister. She could do something about it this afternoon, if she had the guts.

That is the price set by the UK Government to live in the highlands and islands. On top of that, there is far greater reliance in off-gas areas on domestic heating oil and solid fuel, which pushes up household heating costs further still. As a result, average domestic energy bills in off-gas areas are around £1,600 more per annum than the £1,369 UK average—that is £1,000 more in the highlands and islands.

Figures from Lochalsh and Skye energy advice service in my constituency suggest that average annual heating bills in Skye and Lochalsh are £2,218. It is little wonder that there are so many people in my constituency in fuel poverty. For those whose primary fuel for heating is heating oil, the annual bill is as high as £2,519. To cap it all, customers on prepayment electricity meters—often the least well-off—not only have to pay additional standing charges, but discover that their notional right to change to a cheaper electricity supplier has become impractical.

The Government must accept that having 14 regional markets in the UK, with consumers in the highlands paying that 2p premium, is detrimental to the interests of the people in the highlands and islands. We must have a universal UK market.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): Does he accept that there is a real issue with regional variation, but it is not unitary that Scotland is always disadvantaged by that variation?

Mrs Anne Main (in the Chair): Order. May I ask that interventions are brief? There is plenty of opportunity for Members to speak if they wish. The intervention is becoming a speech.

Martin Docherty-Hughes: I was just about to bring my intervention to a very firm conclusion, Mrs Main. Does my hon. Friend agree that the price discrimination is about not just consumers, but Scotland’s utilities as well?

Ian Blackford: My hon. Friend makes a valuable point. We know that producers in Scotland have been discriminated against and the comparison between Longannet and Cornwall provides a clear explanation of that.

2.42 pm

Sitting suspended for Divisions in the House.

3.5 pm

On resuming——

Ian Blackford: To recap on what I said at the beginning, we are talking about fairness and ensuring that people are treated in the same way throughout the United Kingdom. I quoted a statement made by the Minister at Christmas time last year:

“It is not right that people face higher electricity costs just because of where they live”.

I commend her for that statement, and I urge her, when she gets up to speak this afternoon, to tell us that she will take the necessary action to make sure that is brought into reality. We do not have a universal service today; we must do so. Why are highlanders and islanders being penalised? Fuel poverty: delivered to Scotland from Westminster. The Government have a responsibility, and the power, to do something about that.

I have submitted a number of questions to the Minister about the continued existence of 14 regional electricity markets in the United Kingdom. Here is one response:

“Electricity distribution network charges vary by region and reflect the costs of running the network in that area and the number of consumers that those costs are spread over. Moving away from this ‘cost-reflective’ approach would weaken the local
accountability of the network operator in ensuring expenditure is fully justified, in turn weakening downward pressures on network costs overall.

In addition, a national price for electricity distribution would mean lower network charges in some areas, but increases in others.”

Where is the evidence for a detrimental impact on overall network costs? That is simply a red herring. As for the comment about lower costs for some and higher costs for others, the whole argument is about fairness. Somebody living in Skye should face the same network costs as somebody living in Southend. Anything else flies in the face of the statement by the Minister that people should not pay higher costs because of where they live. Let us make her statement a reality today, because those warm words from the Minister are meaningless unless we take action on a universal market. She talks about increases in some areas as a result of a universal market, but that is fairness—we all pay the same network costs. I prod the Minister to live up to her words: to take action today and to be seen as delivering fairness throughout the United Kingdom.

In Scotland, in our independence referendum, we were told that we were “Better Together”—

Jim Shannon (Strangford) (DUP): So you are.

Ian Blackford: I have immense admiration for the hon. Gentleman, as he knows, but where is the “Better Together” in this? As I have already said, consumers in the highlands are paying 84% more for their transmission charges than someone living in London. Better together for whom? Not for us.

While I am on the topic, we were also told that our European future was secure if we remained in the UK—Scotland in Europe, and part of a wider European energy market. Well, we know where we stand now. The Minister wants to take us out of Europe with the rest of the UK. If she secures her ambition to become Prime Minister, I hope that she recognises the sovereignty of the Scottish people, who voted to remain in Europe.

Mrs Anne Main (in the Chair): Order. Will the hon. Gentleman stick to his debate about the regional differences in the energy network, rather than European differences?

Ian Blackford: I respect the Chair, but I am trying to do this in the context of the European energy market—

Mrs Anne Main (in the Chair): And I am trying to keep you to the debate.

Ian Blackford: France has a universal market for transmission charges. I would prefer a national transmission market, as there is in France, to the unequal system that we have in the UK. Why do we not do as France does and treat consumers equitably? We can learn from Europe, and at the same time we should remain part of it and not be dragged out. If the UK Government will not do that, perhaps we need—to paraphrase others—to take back control ourselves.

Research by the national charity Turn2us graphically shows the kind of challenges that those in fuel poverty are facing. One in two low-income households is struggling to afford energy costs, despite being in work. Among the hardest hit are people with disabilities, with more than two in three reporting their struggles, and families, with almost two in three working parents unable to meet these costs. Worryingly, of those households that are struggling with energy costs, nearly half have done so for more than a year. The knock-on effect is severe, with a third forced to skip meals and more than a fifth experiencing stress and other mental health problems. Here are some of the comments made to Turn2us:

“The bills are killing me, sometimes I have to contemplate paying all the rent or heating my home.”

“There are many pensioners like myself who don’t qualify for any help but still have to decide whether to eat or heat.”

“We have stress, debt, arguments and a low mood at home.”

“Starve or freeze? Either way you get ill and can’t work, eat or pay any bills.”

“No lights, only candles, only hoover once a week, only use washing machine once a week, no heating, meals that cook” slowly.

In Scotland I am proud that our Scottish Government have used their powers to intervene to mitigate some of the effects of rising energy costs. It has been the failure of Westminster and the regulator to properly protect consumers that has led to a marked deterioration in the level of fuel poverty. Transmission charges are an important factor in the high levels of fuel poverty. The Scottish Government are committed to tackling fuel poverty head-on and ensuring that everyone in Scotland lives in a warm home that is affordable to heat, but the measures we are taking in Scotland are undermined by the austerity measures of the Westminster Government. That is why the responsibility for fuel poverty lies wholly, solely and squarely at the feet of Westminster and not at the Scottish Government’s, as the Minister implied earlier.

Drew Hendry: It is important that the root causes of fuel poverty are taken into account. Some 4.5 million people across the UK suffer from fuel poverty, and the cost of transmission grid charges in Scotland add to the cost for highlands and islands consumers. Does my hon. Friend agree that it is about time the issue of ducking responsibility for fuel poverty was taken squarely on the chin by the Minister?

Ian Blackford: Again, I am grateful to my hon. Friend for intervening to make a very important point. Today, in this debate, the Minister could bring this matter to a conclusion. She could follow through on the warm words that she used at Christmas time, when she said that no one should be penalised. If she believes that, I implore her to do the right thing. Let us have a universal market—a transmission market that treats everybody fairly in Northern Ireland, in Scotland and in England. Why do we still charge people based on the location they live in? It is wrong and needs to be dealt with.

When we talk about fuel poverty, there is not just a moral and ethical impact but a cost to society in increased health costs as a consequence of the mental health issues that arise; or in children being sent to school in less than ideal circumstances as a consequence of family pressures, adding to the difficulties of our young people flourishing to the extent that they should and making closing the attainment gap increasingly burdensome. That is the social cost of fuel poverty and it is an issue for which the Government in Westminster have to accept
responsibility. Ending the discrimination of higher distribution charges would be a good start. I hope the Minister will respond in an appropriate manner this afternoon.

3.14 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in this debate, Mrs Main. I congratulate the hon. Member for Ross, Skye and Lochaber (Ian Blackford) on securing it. It is always a pleasure to follow him. I look upon him as a friend in this House, as I do all my SNP colleagues, who are sitting on my right-hand side. We might have some differences about what is best for the United Kingdom of Great Britain and Northern Ireland, but I believe we are better together. They perhaps have a slightly different opinion; none the less, it does not mean that we cannot be friends in this House, and that is the important thing.

According to a study by the Northern Ireland Chamber of Commerce and business advisers BDO, almost a third of businesses in Northern Ireland believe that high energy prices are to blame for deterring investment. What the hon. Gentleman outlined in his presentation is something that I would like to mirror when it comes to Northern Ireland’s energy prices and so on.

May I also say that it is a pleasure to see the shadow Minister in his place? It is especially pleasing to see the Minister in her place. I look forward to hearing her response, which I am quite confident will be very positive and encouraging. It is always a pleasure to see her here in the House.

The regional disparity creates real challenges for the business community in Northern Ireland, at a time when those in the business community are seeking to expand and succeed and when their success is essential to rebalancing the Province’s economy and ultimately ensuring our economic success as a region. We are fortunate to have lots of jobs being created and we want that to continue. We believe we can continue that outside the European Union. I know there might be a difference of opinion among some of the Members present, but I believe Brexit will give us a great opportunity to expand and create more opportunities and move forward. A key issue for that to happen is the energy price.

The success of the United Kingdom of Great Britain and Northern Ireland depends on the success of all our regions. Although Northern Ireland is a starkly different place today from what it was a couple of decades ago, it is clear that there is much more work to do, especially in encouraging and facilitating economic development, particularly in the private sector. We have made giant leaps forward and done great things in Northern Ireland, with the Department of Enterprise, Trade and Investment creating numerous jobs—supported, let us be fair, by the Westminster Government. The Conservative party has had a strong economic policy to create jobs, and by and large we have seen the benefit of that in all our constituencies across the United Kingdom of Great Britain and Northern Ireland.

The Northern Ireland Chamber of Commerce study to which I have referred also found that just under two thirds of Ulster firms cited power and heating as among their most costly overheads. The hon. Member for Ross, Skye and Lochaber touched upon fuel poverty at the end of his speech. It is a massive issue for my constituents; in fact, it is a massive issue for constituents throughout Northern Ireland. Some 35% of people in Northern Ireland are subject to fuel poverty. We have the highest number of people in fuel poverty in the whole of the United Kingdom, so it is a massive issue for those who own or rent their houses and for those just trying to get by.

The Northern Ireland Executive continue to play a key role in addressing the issue by maintaining and improving local infrastructure. No doubt the devolution of corporation tax will allow for local business needs and circumstances in the Province to be taken into account. There has been talk in the past few days about the Chancellor reducing corporation tax in the United Kingdom. If he reduces it to a level that we would like to see in Northern Ireland, the opportunities will be greater for us. If it was reduced more, we could automatically take all the jobs that are coming in and all the potential growth could come our way. However, more often than not it is the regulatory framework that seems to create the issues. Literally all the major job losses in the Province that are down to big firms exiting or scaling back operations have been attributed directly or indirectly to high energy costs. I will give some examples.

Bombardier is one of the Province’s biggest employers. It is a business operating in the Province that has become a source of pride for us, owing to its world-renowned reputation. Bombardier has centres for manufacturing in my constituency, and many of my constituents in Strangford travel to east Belfast to get employment as well. Bombardier cited the costs when explaining why jobs had to be moved out of the Province in order to maintain competitiveness.

Michelin and JTI Gallaher are two more examples of large firms that have been good to the Province, especially in the constituency of my hon. Friend for North Antrim (Ian Paisley). Michelin attributed redundancies directly to the high energy costs that business operators in the Province face. Similarly, they proved an issue for JTI Gallaher as well. We have lost them both and the impact has been great, especially in one constituency. It is not just the jobs that are lost; it is the impact that the money and wages going out of those constituencies has on the economy, which affects everything. The Northern Ireland Department for the Economy has taken steps to try to fill the gap. One way of doing that is to help with energy costs.

Northern Ireland stands out from the rest of the United Kingdom when it comes to the recruitment of part-time staff. That is another indicator of the challenges that manufacturing faces. Views about cash flow are too often the most negative in the United Kingdom. Those are some of the things that we face back home. The issue cannot be remedied just through the intervention of the responsible Minister in the Northern Ireland Executive. They can play their part, but only with co-operation, support and help from Westminster. There is no single policy that can remedy the difficulties faced by large energy users in Northern Ireland, of which there are about 20. There is a need for a long-term strategic objective of delivering competitive energy policies, but in the meantime the regulator can make the difference. The key issue preventing the change that is needed at the moment is that if large energy users were to benefit
from being asked to pay less, the cost could, under the current framework, be passed on to households and small and medium-sized enterprises. Therefore, the statutory remit of the regulator would have to be expanded significantly to include that area. I would ask the Minister to respond to that point.

In the Republic of Ireland, it is not the wholesale prices that make the difference; it is the allocation of network costs, which disproportionately favour large users in a comparison between the Republic of Ireland and Northern Ireland. In Northern Ireland, the LEUs would like similar treatment. Should the Minister in Ireland want to follow that methodology, the decision would need to be politically acceptable. Given the trade-off that could ensue between SMEs, households and LEUs, such a move could prove contentious. A way forward palatable to everyone would need to be worked out to keep as many stakeholders as possible happy. There are some balancing tricks to be done, as well as some advance strategic work.

The Chancellor often talks about a northern powerhouse, and refers to economic engines and the like. He is right to recognise regional disparities in business activity and inward investment, but I hope that the worrying news coming out of Northern Ireland about the harm that energy costs are doing to our ability to attract investment will put us on the map for Ministers in Westminster, who can be part of spreading the wealth more evenly in the nation.

As everyone present for the debate knows, I am a true believer in the United Kingdom of Great Britain and Northern Ireland. I believe in it with a passion. I believe that we are better together. Those are my heartfelt thoughts, but we also need to spread the wealth across the whole of the United Kingdom, and see that we get some of it on the fringes of Northern Ireland and on the fringes of Scotland, about which the hon. Member for Ross, Skye and Lochaber made his comments very clearly. The extra power and influence here at Westminster would be of great benefit to Scotland and the other nations of the United Kingdom, and see that we get some of it on the fringes of Northern Ireland and on the fringes of Scotland, about which the hon. Member for Ross, Skye and Lochaber made his comments very clearly. The extra power and influence here at Westminster would be of great benefit to Ministers and those with an interest would lend a hand to the Minister in Northern Ireland, as he inevitably comes to deal with an issue that is, unfortunately, very complex.

It is a pleasure to take part in the debate. I am grateful for the opportunity to speak, and I look forward to the speeches of the shadow Minister and, in particular, the Minister.

3.23 pm

Callum McCaig (Aberdeen South) (SNP): It is a pleasure to serve under your chairmanship, Mrs Main.

My hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford) has said most of what is required and he said it in his usual passionate way. It is right that he should feel passionate about this, because there is a clear sense of injustice—one that, as he rightly pointed out, the Minister has acknowledged in the past.

To quote her again for the record:

“It is not right that people face higher electricity costs just because of where they live”.

We have heard that that applies not just to the north of Scotland but to Northern Ireland and other regions of the UK. Nobody is asking for special treatment. We are asking for a level playing field, and I do not understand how that cannot be justified. Perhaps it is possible to hide behind what Ofgem has said, but this is a Government who purport to be a one nation Government. How can you be a one nation Government when, just because you live in a different part of the country, you have to pay more for your electricity? That cannot follow from the Government’s rhetoric.

The Ofgem report states:

“There does not appear to be any clear justification for a national charge in terms of the regional concentration of vulnerability. Distribution regions represent large areas and the socio-demographics of the population in each region tend towards the Great Britain average.”

The justification is fairness. Just because you may have average distributions of poverty and wealth in the north of Scotland and the south of Scotland—which, to be fair, is highly debatable—does not mean that if you are rich or poor in the north of Scotland, you should pay more than anyone in the south of Scotland. If you are disadvantaged in the north of Scotland, it is no consolation to you that you are part of a national average and you fit neatly into a demographic box, so that Ofgem can dismiss your legitimate concerns about additional costs plunging you further into fuel poverty.

Drew Hendry: On the point about additional costs, there are many off-grid users in the highlands and islands, for whom costs are 100% more than they are for on-grid consumers. That adds to the problem.

Mrs Anne Main (in the Chair): Order. Mr McCaig, may I ask you to speak through the Chair? You are using the word “you” rather a lot, and of course I have nothing to do with it.

Callum McCaig: My apologies, Mrs Main.

The issue, as I say, is one of fairness. My hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) has highlighted the additional impacts that come from the rural nature of large parts of the highlands and islands and the north of Scotland in general. The Government must take those into account. It is easy to hide behind Ofgem, but the Government must act, and there is a clear and pressing need to do so. As has been mentioned, the charge in the highlands and islands, based on per unit usage, is 84% higher than in London. It is colder in the highlands and islands, so people have to use more electricity. Also, for large periods of the year it is darker, because of the more northerly latitude. The costs of heating and lighting a home are greater the further north people live. That is not taken into account. Also, a far higher proportion of people in the north of Scotland use electricity to heat their homes. That comes at an extra, punitive cost to them. That cannot be acceptable and the Minister needs to explain it.

The Minister, perhaps inadvertently, intervened on my hon. Friend the Member for Ross, Skye and Lochaber to talk about the fuel poverty record of the Scottish Government. There is more work that they need to do, and they have acknowledged that. Contrary to what is happening here, fuel poverty and, indeed, energy efficiency are national infrastructure priorities for the Scottish Government. There will be record levels of investment. If a comparison is made between the investment record in Scotland and that of the other nations of the United Kingdom, it is highly favourable.
Let us break down fuel poverty and look at where responsibility really lies. Electricity distribution and network charges rest with the Government. The regulation of the market, in terms of the energy companies, rests with the Government. Looking at the fuel side of the issue, it is clear that the responsibility lies with the Government. As to the poverty side of things, it is even clearer that the responsibility is the Government’s. They control the economy, set taxation and, perhaps most importantly, set the parameters of the welfare state, which they have undermined time and again, plunging more people into fuel poverty. On the face of things, the term “fuel poverty” may be devolved to the Scottish Government, but the actual responsibility—the actual levers to effect real change—rest with this Government and largely with the Minister and her Department.

It may be fine and well to engage in back and forth as we regularly do in this place, but we need to see where responsibility really lies. If the Minister really wants the Scottish Government to have that responsibility, I can tell her that we will happily take the powers out of her hands, and I promise her that we will use them more effectively than her Department has in ensuring that the people of our country do not live in cold, dark houses or have to choose, as my hon. Friend the Member for Ross, Skye and Lochaber said, between heating and eating. That is not acceptable in the 21st century. If we are one nation and there are simple things that can be done to address fuel poverty, it behoves this Government to do them.

Another theme that has run through the debate—one that was mentioned by my hon. Friend and the hon. Member for Strangford (Jim Shannon)—is the economic and social impacts that fuel poverty has on our society. Fuel costs are adding cost for and holding back our businesses and social services. There is an opportunity cost. I disagree with the hon. Gentleman about redistributing wealth; this is not actually about redistributing wealth; it is about keeping wealth where it is generated and ensuring that people do not have to pay too much of their own wealth and that it is not sucked out of their economies. It is about keeping the wealth where it is generated and allowing it to be put back into communities in Northern Ireland or in the north of Scotland. That is not redistribution; that is just fairness, which is utterly absent from this regime.

We are not necessarily asking the Minister to agree with the Scottish National party or even the Democratic Unionist party on this issue. We are asking her to agree with herself and with her own Government’s one nation rhetoric. If she cannot do that, perhaps she can explain to us why.

3.31 pm

Barry Gardiner (Brent North) (Lab): Diolch yn fawr, Mrs Main. Yn yr wythnos lle mae Cymru wedi gwneud Prydain mor falch, ni ddylir y ddadl atal dathlu athrylith y bobol Gymraeg, yn enwedig os fyddent yn mynd ymlaen i gwrando’r Ffrancwyr neu’r Almaenwyr yn y ffeinal.

Mrs Main, I took the precaution of speaking to the Clerk beforehand, and found out that it was in order to speak in Welsh, Norman French or English. Given that this is a regional debate, I thought it was only right to speak in Welsh at the beginning, but she did advise me that a translation was always required, which I will of course be very happy to provide to both you and Hansard. I said: “Thank you very much, Mrs Main. In a week when Wales has done the whole UK proud, no debate should fail to celebrate the genius of the Welsh people, especially if they go on to beat the French or the Germans in the final.”

Ofgem concluded last year that from a regulatory perspective, there “does not appear to be any clear justification” for national network charges “in terms of the regional concentration of vulnerability.” However, as we shift towards cleaner energy to deliver our legal climate targets—an issue on which the Minister has nailed her own colours to the mast—we must also overhaul the management of our energy networks to become smarter and more flexible.

The Energy and Climate Change Committee remarked last month:

“Networks are transforming. We recognise that this presents challenges for the Government, but it has been slow to present a clear, holistic plan for the evolution networks need”.

That Committee’s June report, “Low carbon network infrastructure”, concluded that networks “are at the heart of the UK’s low carbon ambition”, yet network charges “form an increasing proportion of consumer bills.”

The Committee called out “outdated and inflexible regulation and governance” as potential obstacles to making our energy network fit for the 21st century. Remarking that network connection costs “remain geographically skewed,” the Committee called for Ofgem to “assess the costs and benefits of levelling connection costs across Great Britain” and Northern Ireland in order for the Government to consider whether geographical disparities can continue to be justified.

Ofgem also found last year that it is “legally possible to introduce national network charges but the change from the current approach would need to be justified against various criteria in European law, particularly on cost reflectivity.”

Although I am mindful, Mrs Main, of your admonishment of the hon. Member for Ross, Skye and Lochaber (Ian Blackford) for straying into the whole debate around Brexit, it seems appropriate, given that that is the legal situation, to ask whether the Government have sought new advice on this issue in light of the vote to leave the European Union.

The “Low carbon network infrastructure” report also recommended:

“DECC should investigate the disadvantage UK generators may consequently face against other European generators as Great Britain becomes more interconnected, and the impact this may have on development of domestic renewable generation.”

Given the vote to leave the EU, I also ask the Minister to provide greater clarity on the future of the UK’s electricity interconnection with the continent.
It is also worth noting that transmission tariffs for
generators are higher in Great Britain than in the rest of
the EU. The UK is one of only three EU member states
with locational transmission tariffs. The Minister recently
wrote to the Energy and Climate Change Committee,
stating that
“one of the main drivers for transmission costs is the need for new
network investment to accommodate renewable generation in
areas such as Scotland.”

I therefore ask a further question: how much is being
invested in upgrading our networks to be able to carry
clean energy? Is that spending based on projections that
include meeting our 2020 clean energy target?

The debate is also important in highlighting the
systemic problem of the lack of transparency in an
energy market that is failing the overwhelming majority
of customers. The Government’s response to the Ofgem
inquiry, in answer to a written question by the hon.
Member for Christchurch (Mr Chope), was to reassert
their objective to keep
“overall costs down for bill payers across Great Britain.”

I note that they did not say Northern Ireland. The hon.
Member for Strangford (Jim Shannon) is no longer in
his place, so I will add “and Northern Ireland,” because
I trust that that is what the Department meant.

Network charges on a typical dual fuel consumer bill
have risen by approximately 30% in the past four years,
according to British Gas—we need some sort of explanation
for that from the Minister—and seven out of 10 customers
are currently being overcharged for their energy. As a
result, millions of households cannot afford their energy
bills, as the hon. Members for Ross, Skye and Lochaber,
for Strangford and for Aberdeen South (Callum McCaig)
said, yet Ministers are still letting the energy companies
off the hook and failing to ensure that the drop in
wholesale energy prices is passed through to bill payers.

The Energy and Climate Change Committee reported
on energy network charges in February 2015 and
recommended that the Government and Ofgem should
“publish an evidence-based analysis of the advantages and
disadvantages of introducing national tariffs for transmission
and distribution network charges.”

Following that recommendation, Ofgem published its
report, but it found principally that electricity distribution
charges are indeed higher than average in the north of
Scotland, exactly as the hon. Member for Ross, Skye
and Lochaber said, but also in Merseyside, north Wales
and the south-west of England. The charges are of
course lower in London and eastern England. In contrast,
electricity and gas transmission charges are higher in the
south of England and lower in Scotland, and gas
distribution charges are higher in London and the south
Although this debate has largely been presented—I
speak as a Scot here—in terms of the injustice that an
English Parliament is doing to Scotland, the reality is
very different.

Ian Blackford: Will the hon. Gentleman give way?

Barry Gardiner: I will, but I will make a little progress
first. Ofgem concluded that there
“does not appear to be any clear justification”
for national network charges
“in terms of the regional concentration of vulnerability.”

That is exactly what the hon. Gentleman and I would
wish to see: that evening out across the piece. So for a
household with typical electricity and gas consumption
there would be an increase or decrease to the network
charge element of a bill, but it would be of less than
£20 a year in most distribution network areas. There
would be more significant changes in three electricity
distribution regions, and they are: south-west England,
would be down by £38; Merseyside and north Wales
would be down by £26; and east Midlands would be up
by £27.

Ofgem found mixed results on bills from a switch to
national network charges, which would result in
approximately 16 million households facing higher bills,
while about 11 million would see reduced bills under
such an approach. In most cases, the increase or decrease
would be small—of that £20 a year margin. In Scotland,
1.8 million households would face higher bills and only
700,000 households would see reductions. It is harder to
estimate the numbers for England and Wales separately
because the distribution networks that serve Welsh
households also operate across the border in England.

The hon. Member for Ross, Skye and Lochaber tended
to speak in percentages. Of course, when one speaks in
percentages, things can sound really disproportionate.
Why should someone pay 80% or 100% more in distribution
costs in one part of the UK than in another? That is
absolutely right, and the argument for fairness he made
is correct. However, when speaking in percentages, one
sometimes blurs the fact that the actual amounts are
relatively small. Even households in the north of Scotland
who use electricity for heating would benefit from maximum
reductions of about £60 a year. That is just over £1 a
week. Of course that should happen, but he should
acknowledge the scale of the problem we are dealing
with.

Ian Blackford: I think in my speech I referred to the
price difference between the highlands and other parts
of the UK as being 2p per kWh, so I gave both the
percentages and the actual cash amounts. To someone
in the highlands, £60 is actually quite a significant
amount. Does the hon. Gentleman agree that this is
about equity, fairness and creating in effect a universal
service obligation? Will the Labour party join with us in
calling for fairness, or will it let highlanders down and
walk away?

Barry Gardiner: I absolutely agree with the hon.
Gentleman that it is a question of fairness. I agree that
there should be a unitary basis on which this is calculated,
and indeed I think the Minister is on record as having
made statements that indicate that she agrees. As I have
mentioned, there are issues relating to the way in which
we are permitted to do that under European law that
may now be freed up. They need to be investigated and,
if we can do that, we should.

I simply wanted to put in perspective what I felt was
the over-ebullience of the hon. Gentleman when he
spoke. In the grand scheme of things, these are small
injustices, not great ones, and they apply more widely
throughout the regions of the United Kingdom than
just in Scotland.

Drew Hendry rose—

Callum McCaig rose—
Barry Gardiner: I am happy to give way to the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry).

Drew Hendry: I am grateful to the hon. Gentleman for giving way and for getting my constituency correct. You talk about—

Barry Gardiner: He!

Drew Hendry: I will not use the word “you”. He talks about this being a small amount, but when you are faced with the costs of paying for off-grid fuel—oil and gas—the additional costs because you live in a sparse area and low wages in a low-wage economy, this is a devastating cocktail. Do you not agree that it is not as unimportant as you are making out?

Mrs Anne Main (in the Chair): Order. I am not making out anything, but I shall call Barry Gardiner, who may answer on his own behalf.

Barry Gardiner: I agree that many factors come together to push people into fuel poverty and into poverty. They have been ably outlined by the hon. Gentleman and his colleagues. The point I am making is that here we have something that affects not just one part of the United Kingdom but many parts of England and Wales, as the Ofgem report clearly shows.

Callum McCaig: Will the hon. Gentleman give way?

Barry Gardiner: I felt that the debate had been unbalanced in how the facts were presented, which implied that this was an injustice being done by the Westminster Government to poor Scotland.

Mrs Anne Main (in the Chair): Order. May I point out that I shall be calling the Minister at 4 o’clock? Mr Gardiner, I accept that you may wish to take interventions, but I say that just in case the new timings have eluded people.

Barry Gardiner: Mrs Main, I am mindful of your ruling. I simply wanted to say I accept that there is an issue of justice and fairness, but wider effects are being felt all around the UK. If we keep this issue in that context rather than trying to make it about “us” and “them” and simple victimisation, we will have a much better opportunity to resolve the problems that do exist.

Callum McCaig rose—

Ian Blackford rose—

Barry Gardiner: I will finally take the intervention of the hon. Member for Aberdeen South.

Callum McCaig: I accept the point that they may be relatively small figures for individuals—they may be generally quite important to them for the reasons outlined—but, to use the hon. Gentleman’s own figures and multiply the £60 benefit by 700,000 people, this is not quite back-of-a-fag-packet but that is £42 million being needlessly taken out of the economy of the north of Scotland. That would make a transformational impact if it were reversed, and that is the point being made.

Barry Gardiner: If it were true, but the hon. Gentleman should know that it is not. If he does the arithmetic correctly, he will see that those 700,000 were of the £20 maximum variation, not £60. He will also recognise that more than double that figure—1.8 million—in Scotland would face higher bills. He really needs to try to see this issue not through the lens of victimisation but through the lens of reality. With that, I conclude.

3.48 pm

The Minister of State, Department of Energy and Climate Change (Andrea Leadsom): This is an incredibly important debate, and I congratulate the hon. Member for Ross, Skye and Lochaber (Ian Blackford) on securing it. Over the last year we have had numerous debates in Bill Committees and elsewhere about the vital importance of addressing fuel poverty. On that, we are absolutely as one.

I also agree with the hon. Member for Brent North (Barry Gardiner) that it is not that those outside of Scotland are doing fine and those in Scotland are being somehow penalised by the Westminster Government. While I do not think that any of the hon. Gentlemen from the Scottish National party would say that is the case, that is the impression they are giving. As the hon. Member for Brent North made clear, fuel poverty affects the whole of the United Kingdom, including Northern Ireland, which has a different distribution and transmission network. This is an issue for all of us and we need to address it as a United Kingdom, taking account of the interests of all our citizens.

Ian Blackford: In presenting this debate, I have tried to argue for fairness across the UK. I reflected on the fact that we have 14 regional markets, which I believe to be unfair, because that penalises people based on where they live. I argued about the specific circumstances of the highlands, but specifically I am asking the Minister to deal with that by creating a universal market throughout the United Kingdom so that everyone is treated in the same way. That is the correct manner for this House. It is not about dividing people; it is about recognising fairness and equity.

Andrea Leadsom: I will certainly address those issues; I wanted to make it very clear up front how important they are.

The costs of distributing and transmitting energy vary by location. Those differences are reflected in the charges paid by generators and consumers in a particular geographic area. The idea behind that cost-reflective approach is that it helps to drive down costs for all consumers, and it is proving successful. For example, Ofgem estimates that network costs are 17% lower in 2014 than before privatisation, while system reliability remains above 99%. However, it is right that the Government should consider action if one region has markedly different network charging levels from any other. It is also true that network charging mechanisms could never provide an efficient or effective way of providing targeted support to specific groups of vulnerable consumers within a region. I will explain some of the actions we are taking on both counts to ensure consumers right across Great Britain are receiving a fair deal.
The particular challenges of electricity supply in the north of Scotland relate primarily to the relatively large and sparsely populated terrain, meaning that it inevitably costs more to distribute electricity there than elsewhere. I reassure all hon. Members that the UK Government remain committed to ensuring that consumers in the north of Scotland do not bear an unreasonable burden of those electricity distribution costs. The response we published yesterday to our consultation on electricity distribution costs in the north of Scotland confirmed we will continue the hydro benefit replacement scheme at its current level. That scheme helps to protect electricity consumers in the north of Scotland by providing £58 million of assistance to the area, which is worth an average of £41 to each household in the region and is funded by charges on all licensed suppliers across Great Britain.

In addition, our response confirms that the Government remain committed to GB-wide funding for a Shetland cross-subsidy. That will protect consumers in the north of Scotland from the costs of replacing the ageing Lerwick power station in around 2020 and will be delivered through the hydro benefit replacement scheme. The full details will be confirmed once the replacement of Lerwick power station is known. That will have the effect of reducing costs for all consumers in the north of Scotland from the end of the decade.

The Government certainly note the calls, not least from SNP Members, for a move to a single national network charge, but we continue to believe that the priority must be minimising overall network costs for consumers across GB. As I mentioned, network charges vary regionally to reflect the costs of running the network in a specific area and the number of consumers those costs are spread across. Such a significant move away from the important principle of cost-reflective charging would be unhelpful as it risks weakening the pressure on each network company to keep overall costs down for its local stakeholders, which could lead to an overall increase in costs.

Andrea Leadsom: I will in a minute. It is also important to note, as the shadow Minister pointed out, that a move towards a single national network charge would produce winners and losers. All hon. Members will be aware that in October 2015, Ofgem published a detailed analysis of regional differences in transmission and distribution network charges. It found that, for Scotland specifically, 1.8 million households would face higher bills through a national network charge while 700,000 would see reductions. For Great Britain as a whole, 16 million households would face higher bills while around 11 million would see reduced bills. Ofgem concluded that there is no compelling case, from a regulatory perspective, to move to a national network charge. However, we will of course continue to consider any new evidence that is presented on the matter.

Ian Blackford: I am grateful to the hon. Lady for giving way; she has been very generous with her time. Does she appreciate that we have a universal market for the delivery of telephone and broadband and we all pay the same price, regardless of where we live? We pay the same price for a postage stamp. We are still not addressing the fundamental point: people are paying higher prices for transmission of electricity simply because of where they live. We are generating higher levels of fuel poverty as a direct result of that.

On the whole argument about winners and losers, this is about fairness. The Minister talks about being “one nation”; we should be talking about delivering fairness to everybody and not discriminating against people, which is exactly what this Government are doing.

Mrs Anne Main (in the Chair): Order. Before I call the Member, I say to the hon. Gentleman: please, respect the Chair. Interventions are meant to be short and they are becoming incredibly long. Standing and talking through the Chair is incredibly disrespectful.

Ian Blackford: It is disrespectful how my country has been treated by this Government.

Andrea Leadsom: Thank you, Mrs Main.

As with other aspects of our network charging regime, Great Britain’s transmission charging regime is governed by the principle that the user pays. In other words, the costs of operating and maintaining the system are met by those who benefit from it: generators and demand customers. That ensures the economically efficient use of the transmission network and limits the overall cost to consumers across the country. I say to the hon. Member for Ross, Skye and Lochaber that it is not a postal system; it is a transmission system. He makes the case that there is one cost for a postage stamp. In a transmission system, the clear case has been made that locational pricing is needed to keep costs down for all, as that makes it more efficient for everybody. Otherwise, if I can simply add costs to the system in the knowledge that those will be socialised right across Great Britain, I will not face those competitive pressures to keep costs down.

Ian Blackford indicated dissent.

Andrea Leadsom: I see the hon. Gentleman rolling his eyes but he must look at the evidence. He must also bear in mind that, in Scotland alone, there would be 1.8 million people whose bills would go up as a result of the measure he proposes.

The higher transmission charges for generators in certain areas of the country reflect the costs they impose on the transmission network in transporting electricity to demand centres. Conversely, demand customers in generation exporting areas pay lower transmission charges. The hon. Gentleman will be interested to note that that means Scottish generators pay higher transmission charges than their counterparts further south and nearer the centres of demand, but Scottish consumers face significantly lower transmission charges.

The hon. Gentleman rightly points out that fuel poverty is a big subject for both the UK Government and the Scottish Parliament, and is a devolved matter. This Government are fully committed to tackling fuel poverty, and it is clear that we must look beyond network charging mechanisms to do so. We absolutely want to be there right alongside the Scottish Government in dealing with fuel poverty, and I will run through some of the actions we are taking to tackle that issue.
Last week we published our proposals to reform the energy company obligation. We proposed to increase the support for low income and vulnerable households from £310 million to £450 million per annum. Scotland certainly receives more than her fair share of ECO measures with 40 measures per 1,000 households, compared with 28 measures per 1,000 households in England. There is clear evidence that through our fuel poverty measures we are seeking to support Scottish households in fuel poverty.

We also support low income households through the warm home discount. We have worked with both the Scottish and Welsh Governments on how those policies could be amended to tackle the root causes of fuel poverty in all UK nations. The devolved nature of fuel poverty action allows different nations to take measures appropriate to them, and each nation has policies tailored to address fuel poverty at the local level. We will work with the Scottish Government to set up a process and methodology for evaluating the impact of schemes implemented in Scotland—on their own and in conjunction with schemes implemented in England and Wales—on the GB energy market and any relevant UK commitments and obligations.

We are determined to help households facing the highest energy costs, including those that are off the mains gas grid, which are much more likely to face higher energy costs and more than twice as likely to be in fuel poverty as households connected to mains gas. Last year, we announced £25 million in funding through the central heating fund, which is designed specifically to help support non-gas fuel-poor homes by funding the installation of complete central heating systems.

Strong competition among suppliers is a key way to keep prices down, drive innovation and improve customer service. We have seen an unprecedented number of new companies enter the market over the last couple of years. There are now more than 40 companies competing to supply households in Great Britain. In 2010, there were just seven small suppliers and the big six.

We have worked with industry to cut the time it takes to switch supplier from five weeks to a maximum of 21 days, and we are working with Ofgem to move to reliable next-day switching. The number of customers switching supplier continues to rise with 2 million energy accounts switched just between January and March this year—25% more than in the same period last year. As we know, on average consumers can save hundreds of pounds on a dual-fuel bill by switching, which is incredibly important for keeping their costs down.

We are taking a range of different actions and have seen some improvements through lower energy network costs and lower energy bills, but it is clear that this area requires continued attention. I thank all hon. Members who have participated in this valuable debate.
Asylum Seekers: Glasgow

4.3 pm

Chris Stephens (Glasgow South West) (SNP): I beg to move,

That this House has considered the provision of services for asylum seekers in Glasgow.

It is a pleasure, as always, to serve under your chairmanship, Mr Hollobone. May I thank the Minister for being here to listen to this debate and for taking time to consider this matter? We met to talk about these issues when extraordinary revelations were published in The Times and by BBC Scotland on the treatment of asylum seekers in Glasgow. Since that meeting, more extraordinary revelations have been published by the Sunday Herald newspaper, showing that persistent problems are leading to perverse outcomes.

This debate is very timely. Persistent issues remain in the delivery of housing, which is the lifeline public service for a group of people—women, men and children—who are seeking protection and who, by definition, need more than most the stability that a home should bring. The asylum process is difficult enough without problems of poor housing and treatment to contend with too.

The revelations published recently in the Sunday Herald include the story of an Iraqi woman with health problems and her young child being placed in a dirty second-floor flat for months, despite a doctor’s letter and instructions not to carry her child upstairs. She also claimed that drug addicts were frequenting the shared close. Another asylum seeker said that, despite reporting to the police four times racial harassment against herself and her baby outside her flat, she and her toddler had not been moved. Serco said that a housing officer had visited and was taking the complaint very seriously and monitoring the situation. I do not believe that to be acceptable.

One asylum seeker raised alleged aggressive and intimidating behaviour by the Orchard and Shipman staff who evicted him late last month—an allegation that was reported to Police Scotland. Agencies have also reported pregnant women and families facing eviction. In the past few weeks, up to 20 single men have been bussed from Glasgow to London and Manchester at short notice, with a total of 44 expected to be relocated within a month. Twenty families will then be moved to Glasgow. Another asylum seeker case brought to my attention is that of a constituent who is a single mother of three young children living on the third floor of a tenement building where she is unable to lock her windows.

Organisations representing asylum seekers continue to have concerns. Mike Dailly, principal solicitor and director of the Govan Law Centre, has said:

“There are also repeated cases of overcrowding and severe disrepair. This organisation is largely unaccountable despite receiving significant public funds to protect some of the most vulnerable in our society.”

Shafiq Mohammed, a former Orchard and Shipman employee turned volunteer for the Asylum Seeker Housing Project—ASH—said:

“I would describe some of the properties that we’ve come across as slums. In essence, asylum seekers are living in the poorest-quality accommodation in the city.”

Others have reported insect-infested couches; dirty carpets, walls, bathrooms and kitchens; and common stairwells where people regularly urinated. Two women said that their children had developed skin infections.

Too often we have found that the housing provided through the Home Office’s outsourced commercial contract to Serco, which is then subcontracted to Orchard and Shipman, provides no stability but, sadly, aggravation and harm to those who should be treated with dignity and given housing that is safe and secure. Indeed, the Scottish Refugee Council report of September 2014 shows that what was exposed this year has roots in 2012. There has been a transition from the more locally-rooted and therefore accountable, flexible and efficient model of providing housing for those seeking protection to what we must remember is an experiment in terms of asylum accommodation—a thoroughly market-based approach to the provision of such a vital public service.

There is something rather valuable in having devolved, local oversight and delivery of housing for asylum seekers in terms of weaving them into joined-up services, democratic oversight and accountability, the flexibility to, for instance, flip accommodation at the point of positive decision to enable continuity of housing for the refugee and in terms of community cohesion.

Outsourcing may well suit the UK Government, as it allows them to outsource not only service delivery but a fair degree of accountability. Many of us have lost count of how many carefully drafted freedom of information requests and parliamentary questions have not been answered, on the sometimes dubious grounds of disproportionate costs or commercial confidentiality. I trust that the Home Affairs Select Committee will look at that issue; I am pleased to see its Chair, the right hon. Member for Leicester East (Keith Vaz), in his place. It may well also suit the UK Government to have their contractors on the front page of media exposés rather than Ministers. The reality is that taking such hits for future contracts could, in the long term, be worth it.

Let me return to the present issues in Glasgow. The Sunday Herald article spoke to a system that is increasingly chaotic. Symptoms of that chaos include the one and a half years that Glasgow, alone in the UK, did not have an initial accommodation facility where everyone could access the new services upon being newly dispersed to the city. In practice, that has meant that not all get their orientation briefings or health screenings done, with delays in accessing financial assistance.

Keith Vaz (Leicester East) (Lab): I congratulate the hon. Gentleman on securing this important debate. I have visited some houses in Glasgow at the invitation of the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald). As the hon. Member for Glasgow South West (Chris Stephens) knows, the Home Affairs Committee is conducting an inquiry into this matter.

Does the hon. Gentleman agree that one issue that should be explored is the dispersal arrangements? The dispersal map of asylum seekers shows that they are concentrated in certain urban areas, but the whole country should take a fair share of asylum seekers.

Chris Stephens: I thank the right hon. Gentleman for his intervention. He is right that we must look at dispersal. It is to Glasgow’s credit that the city council
decided 16 years ago to tell the UK Government that it was happy to take asylum seekers. We in Glasgow are proud of that approach, but the dispersal issue needs to be looked at.

As the Sunday Herald article detailed, there is persistently high use of hotels and hostel-like accommodation for asylum seekers across the board. We know that the numbers in such accommodation quadrupled between November 2015, when the figure was over 100, and May 2016, when it was over 400. This trend shows no sign of weakening. People are being lost in the system and not getting the safe and secure housing that this approach is ostensibly there to ensure.

We appreciate that priority is being given to taking newly dispersed families out of hotels and hostels as soon as possible, but we have been aware of cases over the past few months of families being stuck in such accommodation for six or seven weeks, with the consequence that they feel isolated and unable to put down roots and their children are not entitled to enter school. These specific issues are underscored by persistent reports of people being placed in unsuitable and often overcrowded accommodation and being shunted around Glasgow at short notice and between Manchester and London with insufficient regard to their wellbeing and needs, as the Sunday Herald piece suggested. With an increase in numbers, the system is struggling to cope.

The Scottish Refugee Council and other agencies, such as the British Red Cross, Govan Law Centre and many others, are finding that too often a crude housing-led approach prevails and the needs of individuals and families are a second or third consideration. What action has the Minister taken since the Sunday Herald article was published? What steps has he taken to ensure that these problems do not persist? Will he tell us what actions or penalties are in place for breaches of contract and poor performance by contractors? Can he remind us what penalties or mechanisms are in place that would result in a contractor being removed from provision of these services?

I want to touch on gender and asylum support. One persistent casualty of the housing-led approach is the visibility of women seeking protection. As the Scottish Refugee Council has articulated many times, the asylum support approach is ostensibly there to ensure. People are being lost in the system and not getting the safe and secure housing that this approach is ostensibly there to ensure.

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We believe that a different approach would benefit local statutory bodies and communities, and those in the accommodation. The Home Office should seriously consider at least a substantial revision of the outsourcing approach to the provision of housing. The Home Affairs Committee’s asylum accommodation inquiry is one place where I hope that that argument will be taken on. However, it will not be effective if the Home Office decides inappropriately, to extend the COMPASS contracts to 2019 before the Committee reports and its recommendations are considered. I hope that the Minister will confirm that there will be no extension of contracts until then.

There is clear evidence in our great city of Glasgow of asylum seekers and EU nationals being in fear of their future following the Brexit vote 10 days ago. We are dealing with our fellow human beings, who are fleeing oppression and persecution. Many of them are women fleeing sexual violence. Many, like us, had professions and careers, but are now seeking sanctuary and safety. We have a duty of care to our fellow human beings, and we must treat them a lot better than we do. I hope we can treat asylum seekers as we ourselves would like to be treated if we were in their situation. I look forward to the Minister’s response.
4.18 pm

**The Minister for Immigration (James Brokenshire):** It is a pleasure to serve under your chairmanship, Mr Hollobone.

I congratulate the hon. Member for Glasgow South West (Chris Stephens) on securing the debate. I have met him to discuss specific concerns, and the invitation to do so again remains open to him. If he has received specific complaints or concerns from his constituents, or from charities or non-governmental organisations operating in Glasgow about standards of accommodation or related services, I certainly extend my offer for him to contact me and to raise any matters directly, as I have indicated.

I again underline my willingness to continue discussion and dialogue outside the debate this afternoon. If issues are being brought to his attention directly, I want to know whether individual cases are being raised in relation to property standards or otherwise, so that we can ensure that they are dealt with effectively and promptly, not just in terms of the contracting arrangements we have with Serco, but equally to enable asylum seekers using accommodation in Glasgow to be reassured about the seriousness that we attach to complaints when they are made.

May I make a general point about intimidation or hatred towards anyone as a consequence of their background, faith, colour or creed? I take a very uncompromising approach to that: it is utterly unacceptable. We are working with the police here and with Police Scotland to ensure that we have a clear understanding of incidents that may occur. Equally, we want to give a strong reassurance about the approach that this Government take, working with the devolved Administrations and in particular the Scottish Government, who have the devolved responsibility in relation to crime. All right hon. and hon. Members present in the debate would want to give the very strong response that, whatever our feelings about the result of the referendum, debate would want to give the very strong response that, however, if the hon. Gentleman is picking up specific concerns and if there are groups that he thinks there would be a shared value and benefit in meeting in order to understand those concerns and to telegraph the clear message that I hope I have given in this debate, I will of course be very willing and happy to follow up on that. I am grateful to him for his intervention in that regard.

I underline the fact that the UK has a proud history of operating an asylum system that looks after individuals seeking refuge from persecution and we are committed to providing safe and secure accommodation while asylum cases are considered. I am very grateful to the city of Glasgow for its participation in the asylum seeker dispersal scheme and for the support it has provided over many years to asylum seekers.

I welcome this debate. There have been a number of debates on issues relating to support for asylum seekers. As I have already said, I certainly want to continue the dialogue and ensure that we are getting feedback from colleagues as well as from non-governmental organisations and others that take an interest and are engaged in these matters.

For those asylum seekers who do not have independent means of support, the Government provide access to support services in accordance with the obligations of the 1951 United Nations convention relating to the status of refugees—the Geneva convention. The COMPASS contracts provide asylum seekers who claim to be destitute with full-board accommodation, in so-called initial accommodation, while their means are assessed, and then with accommodation throughout the United Kingdom—dispersed accommodation—and a small weekly allowance of £36.95 per person per week for food and other essential expenses while their asylum application is considered.

Our existing policy is aimed at ensuring an equitable distribution of asylum seekers and refugees across the country, so that no individual local authority bears a disproportionate share of the burden.

**Keith Vaz:**

**James Brokenshire:** I will of course give way, but let me just finish this point. Historically, Glasgow has been the only local authority in Scotland to take part in asylum seeker dispersal. However, we are working with COSLA—the Convention of Scottish local authorities—and local authorities in Scotland to encourage other areas to participate. Similarly, my officials are meeting and working with local authorities across the United Kingdom to broaden the number of areas in which supported asylum seekers will be accommodated. I now give way to the Chair of the Home Affairs Committee.

**Keith Vaz:** As the hon. Member for Glasgow South West (Chris Stephens) said, Glasgow is taking a very large proportion of the asylum seekers—I think it was top of the list for the entire United Kingdom that the Select Committee published in our last report. The Minister’s own local authority and other local authorities in the south of England are just not doing enough. I know that he is encouraging them, but why can they not do more to relieve the pressure on local authorities such as Glasgow?

**James Brokenshire:** As the right hon. Gentleman knows—he has questioned me on this issue in the Home Affairs Committee previously—we have a voluntary arrangement for dispersal in respect of asylum seekers.
standards, contractors are provided strict time limits to complete inspections. Where Home Office inspections find that standards are not being met, they will take corrective action, including further inspections and the provision of additional support. Contractors are required to visit each property at least once a month and when asylum seekers have applied for accommodation standard issues in Glasgow. In those cases, the required improvements were made but not within the prescribed timescales; therefore, service credits were applied.

The Home Office has improved its inspection regime over recent months not only to ensure that the accommodation standards are being complied with, but also to ensure that asylum seekers have opportunities to raise any concerns they have or report any complaints that our providers have not resolved to their satisfaction. This was a core part of the review that we undertook to ensure that we were getting full feedback from service users and therefore not simply relying on providers to provide that feedback, and also to engage with NGOs and charities. That is something that I remain committed to doing to ensure that we get that further, full feedback.

Chris Stephens: I thank the Minister for giving way; he has been most generous and we may well get to 4.53 pm. In relation to inspections, one of the big concerns is that asylum seekers are unable to lock their own accommodation and have privacy issues. That is a key concern, so will the Minister look at that and also ensure that inspections are done in such a way that asylum seekers are not left frightened of seeing someone with a uniform, which will mean something different to them from what it would to us?

James Brokenshire: I am very happy to look into the issue that the hon. Gentleman has highlighted. If there are concerns about security, assurance or safety, those are of course the sorts of issues that I would want to know are being investigated, so that those in receipt of accommodation have confidence in their surroundings. Equally, I will certainly reflect upon his point about the manner in which investigations and inspections are conducted.

One of the points I was concerned to ensure we reflected upon properly was the manner in which inspections are conducted, so that service users can be confident that they can report problems to those who are inspecting without fearing some comeback to themselves and so that there is no barrier to that taking place. That is why I made the point about talking to NGOs and charities. Sometimes service users do not have that confidence, for whatever reason—whether that be from past experiences of contact with authority figures in their own countries that they have fled from—but if there are issues and they feel confident to be able to report them, we can get the appropriate feedback to understand whether issues are emerging. On that point, it is important to stress that the Home Office has established an advisory board with key NGO stakeholders to better capture the views and concerns of the asylum seekers we accommodate.

The hon. Gentleman raised the point about hotels as dispersed accommodation, which is obviously something that each group presents. It is important that we provide appropriate support for them.

In Scotland currently, the only dispersal area is Glasgow. The hon. Member for Glasgow South West recognises that, and we have had discussions about it previously. A meeting took place in February with other local authorities in Scotland to seek their consent to widen the dispersal of asylum seekers beyond Glasgow. Follow-up meetings have explored these issues further, but I certainly encourage the hon. Gentleman to continue to work with the Home Office and the Scottish Government to ensure that we are working together to encourage more local authorities in Scotland to recognise the need to extend that beyond Glasgow.

I pay tribute to the work that many local authorities are already doing in providing support for Syrians arriving under the vulnerable person resettlement scheme. In some ways, that is unlocking many more local authorities, which recognise the contribution they can make and the role they can play. That is a conversation that I am very keen to continue, to ensure that we are indeed looking at the particular concentrations in Glasgow and seeing how we can work together to extend dispersal into other parts of Scotland.

Accommodation standards were the core part of the hon. Gentleman’s contribution. The Home Office is working with its contractors to ensure that all the accommodation provided to asylum seekers is safe, habitable and fit for purpose and that asylum seekers are treated with dignity and respect, taking account of their vulnerability. We are also ensuring that the system is effective and efficient and provides value for money for the taxpayer. I am of course concerned about any allegations of substandard accommodation or misconduct or mistreatment of asylum seekers by our staff or the staff of any contractors. Such allegations are taken extremely seriously and investigated thoroughly.

The suppliers’ housing inspectors are required to visit each property at least once a month and when asylum seekers first arrive at, or depart from, a property. The Home Office also inspects properties and will inspect one third of the properties in the Scotland and Northern Ireland contract area over the course of this financial year. Where Home Office inspections find that accommodation does not conform to the required standards, contractors are provided strict time limits to remedy the defects.

I can assure the hon. Gentleman that the Home Office can, and does, impose penalties on any provider who fails to meet the terms of their contractual agreement. Between April 2015 and April 2016, four service credits were applied for accommodation standard issues in Glasgow. In those cases, the required improvements were made but not within the prescribed timescales; therefore, service credits were applied.
I would want to see, in terms of overall stability for them. We have been working with the providers on that and have seen recent improvements.

**Chris Stephens:** Will the Minister look specifically at the issue in relation to women asylum seekers? I am thinking about asylum seekers who are unable to get what is known as an HC2 form for healthcare and getting access to a GP. This is a real issue for women asylum seekers, particularly those coming into the country fleeing sexual violence, for example. I would be obliged if the Minister looked specifically at that issue.

**James Brokenshire:** If there are some further specifics, I would be grateful if the hon. Gentleman wrote to me or provided the details. I was aware that towards the end of 2015 there were some temporary issues with attendance at NHS appointments, following the closure of the initial accommodation block and an increase in the number of service users. My understanding was that these issues had been addressed and all asylum seekers are triaged by the NHS for health screening when they arrive, but if there are emerging issues or if there is a specific point about the form that he highlighted, I would be very pleased to look into that for him.

**Keith Vaz:** I am grateful to the Minister for giving way a second time; he is always generous in these debates in taking interventions. Taking him back to his point about hotels, of course they sometimes have to be used in emergency situations. Does he agree that it is preferable in those circumstances that the entire establishment, or a wing of the establishment, is used, rather than parts of an establishment? There is evidence that it causes an enormous amount of resentment on the part of the normal paying customers in a hotel when asylum seekers are present. Indeed, the asylum seekers themselves feel disadvantaged, because they are getting different meals to those who are normal hotel-goers. This should be exceptional, but there is a crisis in asylum accommodation and it does have to be dealt with.

**James Brokenshire:** I am grateful for the right hon. Gentleman’s intervention. There are examples where we have sole-use hotels, as well as examples where rooms have been taken as part of the continuing use of the hotel. My focus is on seeing those numbers come down and moving to a position where there is not a need for reliance on hotel accommodation, and is therefore on looking at that overall capacity issue. That also comes back to his point about widening and looking for new areas to establish dispersed accommodation and working with providers to find ways to get further access. A significant amount of work has been taking place on that over the course of this year, and there is continued work engaged on that.

Where there is a need, at times, for hotel accommodation to be used, whether that be shared-use or not, it is important that providers do that in a respectful way, ensuring that no issues of stigma are attached. I am obviously familiar with the discussions that the right hon. Gentleman and I have had on other things relating to issues of stigma. Again, I take a firm view on ensuring that we do all we can to prevent any of those matters from arising. That is a clear point that we have underlined to our service providers on the approach they take. I suppose what I would say to him is that I recognise the points he makes about sensitivity and the appropriate use of accommodation. We take that into careful consideration and we make those points to the providers.

The hon. Member for Glasgow South West also highlighted the potential extension of the COMPASS contracts. Officials are continuing to carefully consider the extension of existing contracts in accordance with their terms. The timing of any decision to extend the COMPASS contracts is subject to ongoing commercially sensitive discussions with providers. In deciding whether to extend the contracts, the Home Office will take a number of things into account, including the performance of the contracts and the value for money they offer to the taxpayer.

The Government are committed to doing everything necessary to protect the rights of asylum seekers and provide them with the safe and secure accommodation they deserve. Any complaints relating to the standard of accommodation will be investigated promptly and necessary remedial action will be taken. In closing, I reiterate my thanks to Glasgow for the proud role it has played in welcoming and supporting asylum seekers over many years.

**Question put and agreed to.**

**Resolved,**

That this House has considered the provision of services for asylum seekers in Glasgow.
Dormant Betting Accounts

4.40 pm

Mr Philip Hollobone (in the Chair): In the third part of our Scottish National party afternoon, we now move on to the important subject of dormant betting accounts. I call Ronnie Cowan to move the motion.

Ronnie Cowan (Inverclyde) (SNP): I beg to move, That this House has considered dormant betting accounts.

It is a pleasure to serve under your chairmanship, Mr Hollobone, and I am grateful for the opportunity to lead this Westminster Hall debate. Members here today will know that problem gambling continues to blight too many communities across the United Kingdom. Like alcohol or drug addiction, gambling has the terrible power of being able to destroy a person’s life and inflict financial and emotional misery on victims and their families.

In recent years, there has been greater recognition of gambling-related harm and the damage that it can cause. Despite the greater awareness and increased funding for support services, it has been suggested that there are still around 450,000 problem gamblers in the UK. The sheer scale of the problem makes it clear that the UK Government have a responsibility to do more. I have devoted much of my time as a parliamentarian to pursuing this issue. I believe that the money contained in dormant betting accounts could, and should, be used as an additional source of revenue for organisations to assist people with gambling-related harm.

Julian Knight (Solihull) (Con): I congratulate the hon. Gentleman on securing this important debate and share his concern about the devastating impact of gambling addiction, but does he recognise that the gambling industry itself has taken steps to prevent problem gamblers and those who are at risk from gambling? I refer to bookmakers, who have implemented measures such as self-exclusion schemes, to seek to prevent those at risk from gambling.

Ronnie Cowan: I have no issue with what the hon. Gentleman is saying. I agree that “When the Fun Stops, Stop” is a very strong campaign led by the gambling organisations, and they should take credit for that. I am not here to lambast gambling as a concept; what we are looking at is problem gambling and facilitating a trigger that I believe we can use to help people who find themselves in that unfortunate situation.

Dr Paul Monaghan (Caithness, Sutherland and Easter Ross) (SNP): Does my hon. Friend agree that gambling and debt are often symptomatic of economic and social decline and that the creative use of dormant bank accounts could benefit and bring some relief to such communities?

Ronnie Cowan: I absolutely agree with my hon. Friend and colleague, and hopefully I shall shine some light on that later in my speech.

Why do dormant betting accounts exist? When I was a boy in the ‘60s, I used to enjoy watching the racing on the television with my Uncle Charlie. We would spread out the pages of the newspapers in front of us and gamble. We would watch the racing, pick our horses and calculate how much to bet. Spread betting taught me more about checks and balances than my economics teacher ever did. Because Charlie was a regular gambler, he had an account with the local bookies. From the comfort of his living room he phoned the bookie and placed his bets. Charlie would drop into the bookies during the week and pay his debts or pick up his winnings. The bookie knew Charlie, and the books were balanced weekly.

As technology has advanced, so has our ability to access gambling, which we can do from our phones or tablets at any time of the day. We also now live in a more disposable world. People once worked their entire lives at the same company, lived in the same street all their married lives, banked with the same bank and went to the same place on holiday every year. Now it is easier to change, and we are encouraged to change and move and to take up new offers.

Betting companies tirelessly promote free bets and other generous offers to encourage new customers to sign up. It is not unusual for people to have half a dozen or more accounts with different companies to take advantage of those offers. People can only remember so many user names, passwords and accounts, and eventually, they lose interest or forget about an account that may only have a few pounds in it. Over the passage of time, the accounts become dormant, but do we know how many accounts there are and do we know how much money they contain? The answer to both of those questions is no.

In preparation for the 2010 Department for Culture, Media and Sport report, companies were approached to give a financial breakdown of the amount of money involved in dormant or similar accounts. A majority refused, either on the grounds of commercial confidence or because they claimed to be unable to produce the figures. Betfair provided data about the size and scale of dormant betting accounts, but on a confidential basis. Under the current arrangements, dormant betting accounts are simply reverted to the company profit line after a specified amount of time.

Julian Knight: Will the hon. Gentleman clarify what he defines as dormant betting accounts? For exactly how long does he think there has to be no activity on the account for it to qualify as dormant?

Ronnie Cowan: I shall certainly go on to do that because it is an area of some concern. There is no definition of that as yet and I think there should be.

Companies have different definitions of “dormant”. For instance, Gala Coral define it as 400 days of no activity whereas Ladbrokes define it as 12 months. The report commissioned in 2010 for the Department for Culture, Media and Sport proposed that when a betting account became dormant, 25% should be added to the company profit and 75% should be transferred to good causes. The report also concluded that if a voluntary scheme could not be established with betting companies, legislation should be enacted requiring them to contribute 75% of the unclaimed amount. Dormancy in this instance was defined as 18 months of no activity and the money was only taken once all efforts had been made to contact a customer regarding their account.
In April this year, I wrote to Ladbrokes, Gala Coral, Paddy Power, William Hill and Betfred regarding their policy towards dormant betting accounts and problem gambling. Unfortunately, Betfred and Paddy Power did not respond to my letter. William Hill, Gala Coral and Ladbrokes gave me the courtesy of a response, but all strongly rebuked my statement that the issue of gambling is one that blights a number of communities and households.

The response from Ladbrokes was perhaps the most insightful for people wishing to learn how gambling companies view their own services. It said that “rather than a blight on local communities and individuals as you suggested in your letter, I strongly believe that our shops are a real part of their local areas. Many of our colleagues know their customers by name and face and our shops often provide a social outlet for customers to meet other people, over a cup of tea or coffee, whilst having a flutter on their sport of choice.”

Betting companies may paint a rosy picture of gambling as a harmless pastime, but that is a misconception. The reality is that the proliferation of betting shops on our high streets is seen by my constituents as an unwanted reality is that the proliferation of betting shops on our high streets is seen by my constituents as an unwanted harm.

Online betting accounts are also part of the problem, making it easier than ever for problem gamblers to become bankrupt, fall behind on their mortgage payments or experience divorce or family troubles because of addiction. Is that the experience of most gamblers? No, it is not. Do the majority of punters bet responsibly? Of course they do. The experience of the problem gambler—that is who we are seeking to help—and the wide-reaching ramifications of their actions far outweigh the experiences of the majority of punters who visit the bookies for a cup of tea and a £2 bet. For example, I am aware of one problem gambler who stole almost £850,000 to fund his addiction. The Gambling Commission concluded that Gala Coral had failed in its duty to prevent money laundering and problem gambling and added that the company’s safeguards against both were inadequate. Gala Coral agreed to pay back £850,000 to the victims of the crime and to pay £30,000 to the commission for the cost of the investigation.

Some will say that enough has already been done to tackle problem gambling and that adding money from dormant betting accounts is not necessary. They will highlight the financial contribution that betting companies already make to organisations that assist with gambling addictions. Figures released by the Gambling Commission show us why we should be sceptical of those who say that enough is already being done. Last year, British gambling lost £12.6 billion and losses have risen every year since April 2011. Online betting accounted for a third of the total losses. In 2014-15, the charity GamCare reported an 18% increase in calls from problem gamblers and a 39% rise in clients receiving treatment.

We can conclude without hesitation that betting companies have no interest in voluntarily signing up to a scheme as proposed in Don Foster’s 2010 report. Thirdly, only the UK Government have the power to ensure that good causes benefit from the potential funding locked in dormant betting accounts. The UK Government have a duty of care and the time for paying lip service is over. It is time for the UK Government to act on the recommendations laid out in the 2010 report, and in turn help the many individuals and families who have been affected by gambling-related harm.

Mr Philip Hollobone (in the Chair): Because of the injury time carried over from the previous debate, this debate can, in theory, go on until 5.53 pm. The recommended limits for the Front-Bench spokespeople are five minutes for the Scottish National party, five minutes for Her Majesty’s Opposition and 10 minutes for the Minister, but obviously we have a lot of time to play with.

4.51 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): It is a pleasure to serve under your chairmanship, Mr Hollobone. I congratulate my hon. Friend the Member for Inverclyde (Ronnie Cowan) on securing this important debate, and I declare an interest as somebody who spent seven years of her life working in high street betting shops.

The potential negative effects that gambling behaviour can have on those who develop an addiction is an issue that does, and should, cause great concern.

Julian Knight: I understand the concerns about problem gambling, and I think we all share those concerns. However, for a moment, we ought to consider the fact that the gaming industry creates thousands of jobs, and 70% of the population take part in some form of gambling during the year without any poor side effects. Gambling is not always a negative story.

Patricia Gibson: I take on board the point that the hon. Gentleman makes so well. He encourages me to jump forward to something that I was going to say later, which is that, although most people gamble responsibly, we have to recognise that in some cases gambling causes huge problems and distress not just to families but to communities. The proposal to use dormant betting accounts to help deal with the damage that gambling often causes for too many people has something of a beautiful synchronicity to it. I take nothing away from the fact that gambling, for most people, is an enjoyable pastime. One thing does not necessarily preclude the other. We can recognise the benefits and the negative consequences of gambling.

The problems caused by gambling should make us pause for thought from a public health and policy perspective. Indeed, the prevalence and ease of access to gambling should give us all cause for concern, even those of us who do not have a particular problem with gambling. Gambling behaviour is increasingly a subject of public health and policy interest, and there is widespread recognition that some people who engage in gambling activity can experience harm. I think we can all agree that the deregulation of gambling in 2005, allowing online gaming companies to advertise on UK media,
[Patricia Gibson]

gave rise to potentially worse problem gambling while, at the same time, offering greater leisure opportunities for those who enjoy gambling in a healthy spirit.

The online gambling industry is worth nearly £2 billion a year in the UK, which shows that it makes a significant contribution to our economy, but we must not let that blind us to the difficulties that it throws up and that we have to deal with. There is plainly a need for more education and support, and the matter of dormant betting accounts has already been visited in this place.

There are a number of reasons why dormant betting accounts arise. It might be that the account holder has died or has decided no longer to engage in gambling at all. Given the current competitiveness in the market, customers may regularly transfer their credit between betting accounts held with different companies, meaning that old accounts can easily be forgotten.

In the event that a betting account falls into a dormant state, betting companies will try to contact the customer to make them aware of it. However, companies will often use the dormant account as a way to coax customers back with promises of free bets. In the event that the customer does not reactivate their account, the money left in the dormant account reverts to the company’s profit line after a period of time through an accountancy procedure. For the information of the hon. Member for Chester on the definition of a dormant account—

**Julian Knight:** I think the hon. Lady meant me when she said the hon. Member for Chester.

**Patricia Gibson:** Sorry, is that wrong?

**Julian Knight:** It’s Solihull.

**Patricia Gibson:** My apologies.

**Julian Knight:** No, that is very perceptive as I was actually born in Chester.

**Patricia Gibson:** That must have been what I was thinking of. I apologise to the hon. Gentleman for changing his constituency without consulting him.

For the information of the hon. Member for Solihull (Julian Knight), the definition of a dormant account may vary depending on who is asked. If we were to move the matter forward, that is an argument we could have. Would an account be dormant after, for example, 12 months or 18 months? There is a debate to be had about that. Today, that is beside the point because we are talking about the principle of dormant accounts, not ones that have simply been unattended for a few months.

**Craig Mackinlay** (South Thanet) (Con): Has the hon. Lady gathered any evidence as to exactly what steps the betting companies take to locate the person who holds the dormant account? It is often the case that people deposit from their credit or debit card, and can withdraw money at will. Betting companies hold people’s debit and credit card numbers. In the hon. Lady’s estimation, would it help if funds were just returned automatically after a certain amount of time, if that card is still live? Might that obviate some problems we are discussing?

**Patricia Gibson:** It might obviate some of the problems but, as the hon. Gentleman will be aware, debit and credit cards also fall into disuse. I own credit cards that I have not used for months or years and that I probably could not use now. Cards get changed and personal identification numbers get updated, so I am not sure that that would be a permanent way forward. The problem is that, when betting companies make contact with people who have dormant accounts, it is very often a lever to encourage them to gamble more. I am not sure that that is helpful.

The way forward is to use the funds from accounts that have fallen dormant to do some good for those who have difficulties with gambling. To be quite honest, I cannot see what is controversial about that. Hon. Members might throw up all sorts of issues such as privacy and the intrusion of the state but, in the long term, we are talking about doing something for the greater good.

**Julian Knight:** The key point is whether the amount of money required to administer such a measure would swallow up virtually all the money that is brought back from the dormancy arrangement. There are no definable figures, so a good starting point would be to pressurise betting companies to find out exactly how much money is in dormant accounts. We would then know exactly what good that money could do.

**Patricia Gibson:** The hon. Gentleman makes an interesting point; he talked earlier about the voluntary participation of the betting industry. To establish the exact sums involved—which I believe are significant, although I could be wrong—we really need the betting industry on board. Companies are quite reluctant to go down this road, for reasons that I am sure they could explain well enough themselves. The proposal has some merit, but how much money are we talking about? Let us have that conversation. Why would anybody be afraid or reluctant to have that conversation? I leave that thought hanging in the air for the hon. Gentleman to mull over at his leisure.

I have no doubt that the sums held in dormant accounts may be surprisingly large. Why do I say that? For the National Lottery, which allows 180 days for people to claim their prize money, unclaimed winnings, although not the same as dormant accounts, amounted to 1.5% of sales in 2008-09. That is not a high proportion, but it amounted to £78.2 million, a sum that any charity or group of charities would be delighted to have. We are talking about significant sums of money that could do much to mitigate the harm, damage and distress that gambling addictions all too often cause. We are not talking about a hill of beans; we are talking about quite a windfall—pardon the pun—for gambling charities. In 2009-10, unclaimed pool betting dividends on UK horse races totalled £944,000. Again, such dividends are not the same as dormant accounts, but the figure indicates the kinds of forgotten sums that could be put to better use rather than sitting in some account or being used on somebody’s profit line.

Of course, as with any proposed change, we will have naysayers, not least in the gambling industry, telling us that it cannot be done. They will say, “This is the intrusion of the state. Where is people’s privacy? Where are people’s rights? We cannot ensure that the money
will minimise gambling-related harm.” Why not? What is the obstacle here? I know the gambling industry is an obstacle, but surely policy cannot be made due to pressure from companies with a vested interest in the status quo. Whenever someone makes a proposal on any aspect of public life, there are always a hundred reasons to say no, but in this place surely we can look to the greater good and find enough reasons to say yes.

We are not starting from scratch. A way forward can be found by implementing the findings of previous reports, as mentioned by my hon. Friend the Member for Inverclyde, in the form of a voluntary scheme for high street betting shops, while requiring online and remote gambling operators to have their accounts annually audited to identify accounts that have been unused for, say, 18 months—the amount of time is up for debate. As a starting point, the operators could then provide 75% of the money in those accounts for good causes. What could possibly be wrong with that? Using money left in dormant accounts to help fund organisations working to minimise gambling-related harm would have a beautiful synchronicity that I find quite compelling, and I can honestly see no downside. All that is required is political will.

Mr Philip Hollobone (in the Chair): Ronnie Cowan gets two minutes at the end to try to sum up the debate, which I am sure he is looking forward to. I am looking forward to the next speech from the hon. Member for Luton North. What a great day it is to see such a stalwart of the Back Benches propelled on to the Front Bench of Her Majesty's Opposition.

5.3 pm
Kelvin Hopkins (Luton North) (Lab): It is a great pleasure to serve under your chairmanship, Mr Hollobone. I will try to live up to your flattery—it may have been a compliment, but I feel flattered.

I congratulate the hon. Member for Inverclyde (Ronnie Cowan) on securing this debate. I want to call him my hon. Friend, because he is a friend. Although he is not a party political friend, we are both members of the Select Committee on Public Administration and Constitutional Affairs and we have spent many happy hours discussing matters on that Committee. The hon. Member for North Ayrshire and Arran (Patricia Gibson) made another excellent speech. I agree with both speeches in their entirety, but I will share a few thoughts of my own.

The hon. Member for Inverclyde is seeking effective Government action to address dormant betting accounts, which is a matter of great seriousness. He has, not for the first time, raised the issue of problem gambling—compulsive or addictive gambling—about which I, too, have been concerned for many years. I sympathise with his view. I am, of course, old enough to remember the first betting shops opening in the 1960s; later in that decade the first UK inland casino, Caesars Palace, opened in my Luton North constituency. There has since been progressive relaxation of regulations governing gambling establishments, the use of fruit machines in places of entertainment, and so on.

The last Labour Government were pressed by the gambling industry to allow the opening of many mega casinos across the country, which I and many others in my party opposed, and the proposal was largely seen off by the House of Lords. But that Government made the installation of fixed odds betting terminals possible. I think I was the first person to use the term “crack cocaine of gambling” in the Chamber to describe FOBTs, although I did not coin the phrase.

I occasionally gambled moderately in my youth. I bet a shilling each way on a horse or two, which shows how old I am. One of my dearest friends, sadly now deceased, wisely observed that gambling is a pleasure for which he usually had to pay. We would do rather better if we all had that attitude. However, that sensible attitude is not given to all gamblers. The opportunities and temptations to gamble dangerously have increased over the decades, and gambling addiction is now an enormous social problem. We need Government action and legislation to reduce harmful gambling, and I do not accept the spurious notion that freedom means that the state should not involve itself in such matters. The state has a duty to help protect us from danger, as with alcohol and other things.

Julian Knight: Will the hon. Gentleman enlighten us as to what other prohibitions he would like to see introduced?

Kelvin Hopkins: I will address some of them later, but I will not be specific. I have only been in my job for a few days, and I have yet to be fully briefed on where my party stands on this matter, so I have to be careful—I suspect that I would go further than my party might like—but I hope to persuade my party to pursue proper action. I will not specify that action today but, so long as I am in this job, I will seek to persuade my party.

The notion of freedom is overplayed. We were the last country to make wearing a seatbelt compulsory in cars and, of course, a lot of people died because they did not wear their seatbelt. We all started wearing seatbelts after it became compulsory, and hundreds of lives have since been saved every year. That is just one of many examples where the state intervenes to protect us from ourselves and to make us more sensible than we would otherwise be. Most of us are sensible, but some people are not and require a little encouragement from the law.

Fixed odds betting terminals are, of course, responsible for much of the most problematic gambling in our communities. As gambling has been progressively relaxed, we have seen the problems increase. FOBTs continue to cause immense damage to people’s lives, destroying families and driving some of our poorest people into penury and massive debt.

Today, we are discussing what should be done with the considerable sums left in dormant betting accounts and suggesting practical ways of using those sums for beneficial social purposes. One suggestion is to find appropriate ways of using the moneys to help support problem gamblers, and detoxing is one way in which they could be helped. There should be a suitable public agency—here we go, perhaps my left-wing views are coming out now—or public fund to which these moneys could be transferred with appropriate safeguards. If all dormant betting accounts were required by law to be declared and specified in the accounts of gambling companies each year, we would know how much those accounts were worth. We could then decide what to do with them. The sums might be very small, and it might not be worth doing anything with them because the
administration would be too expensive, but like the hon. Members for Inverclyde and for North Ayrshire and Arran, I suspect that the sums will be considerable—they will be in the many millions and possibly even billions.

The 2010 Department for Culture, Media and Sport report by the former right hon. Member for Bath, Don Foster, who has now been elevated to the other place, suggested that new bodies should not be created. Although I applaud his good work, I beg to differ. A publicly accountable body that operates transparently could provide a useful and secure home for such dormant account funds. Former ownership could be registered with all necessary and available details so that if the moneys were ever claimed, they could be returned to the rightful owners, but many owners will have forgotten or lost the money, or died or whatever. Considerable sums could be collected and used for beneficial public purposes. Support for sporting activities, especially for the young, would be another obvious use. No one would lose, and claims by rightful former account owners would be honoured.

Julian Knight: The hon. Gentleman says that no one would lose, but surely if money is taken away from companies, the employees and the shareholders lose?

Kelvin Hopkins: Well, yes, profits might be dented a bit, but I doubt that employees would lose, especially if they were properly represented by trade unions, as many of them are. I am frequently lobbied by members of my own union about their jobs in local casinos. It is possible that profits might be affected by the interest earned on such accounts, but the money could be used for good social ends rather than being wasted through lost opportunity costs.

Legislation would be required, of course, to facilitate such a system and require bookmakers and others to release the funds, but I see no downside for the public in what I suggest. I hope that these thoughts take hold at least within my own party, and hopefully with the Minister too, who I know is socially concerned. I hope that she, like me and the Scottish National party Members, is concerned about the damage caused to many ordinary people by dangerous gambling. I do not wish to say anything more. Perhaps in another debate I might branch out rather further into my interventionist approach to policies to make people’s lives better and safer.

Mr Philip Hollobone (in the Chair): We look forward to that. Meanwhile, in this debate, we can in theory go on until 5.53 pm, but we do not have to.

5.11 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Tracey Crouch): On day two after returning from maternity leave, I already have the honour and pleasure of serving under your chairmanship, Mr Hollobone. I place on record my thanks to my colleagues and right hon. Friend the Member for Bexleyheath and Crayford (Mr Evennett) for covering my portfolio for the past five months. I also take this opportunity to congratulate the hon. Member for Luton North (Kelvin Hopkins) on his appointment. We have worked together on many issues, not least due to our shared interest in alcohol addiction. This is an opportunity for him to use his freedom to make policy while nobody is looking. Go for it!

I congratulate the hon. Member for Inverclyde (Ronnie Cowan) on securing this debate. I am grateful for the opportunity to discuss dormant betting accounts and the incredibly important issue of research, education and treatment for gambling-related harm. I thank the other hon. Members who have participated in this debate for their informed and helpful contributions.

Gambling is a legitimate leisure activity enjoyed by many people, but I am absolutely clear that we must do all that we can to protect vulnerable people from gambling-related harm. Hon. Members may well be aware that I am extremely passionate about this issue and have championed it for many years. I will touch on that in more detail in a bit, but first I will concentrate on dormant accounts and unclaimed winnings, which is worthy of consideration in some detail.

“Dormant accounts” tends to refer to online or telephone accounts in which a customer has deposited funds and which have then seen no activity for a set period. That period, as others have said, varies between operators and can be anything from a few months to more than two years. If the account remains dormant beyond that period, many operators will absorb the funds into their profit line.

The previous Government commissioned an independent report to investigate whether unclaimed winnings or money in dormant accounts could be put to good use. The report was undertaken by Lord Foster of Bath, and acknowledged a number of practical, technical and legal issues that would need to be considered in order to take forward any proposals in the area. One of the report’s key findings was the lack of information about how much cash was lying dormant in such accounts. Further work would need to be explored, either in voluntary discussions with the operators or by introducing a new licence condition via the Gambling Commission, although I heard what the hon. Member for Inverclyde said about his own approach to getting some of that information from the operators.

In my view, any additional money for the treatment of gambling harm must be a good thing. Therefore, I see the potential benefits of directing funds that have been left dormant for a set period of time towards education on gambling-related harm, research into it, treatment and prevention. Members may be aware of the Dormant Bank and Building Society Accounts Act 2008, which allows the Government to direct money left untouched in bank and building society accounts for more than 15 years to good causes.

In March this year, a new independent commission on dormant assets was established to support Government, to identify additional pools of unclaimed assets and to work with industry to encourage the voluntary contribution of those assets to good causes. The commission will report and make recommendations to Government on the feasibility of expanding the dormant assets scheme before the end of the year, and it is considering unclaimed gambling winnings as part of its asset scoping work. Relevant sector organisations, including the Gambling Commission, have provided submissions to the call for evidence. Officials from my Department are in contact with colleagues at the Cabinet Office, and I will stress to them the need to work closely together, to see what
progress can be made as part of the forthcoming recommendations on the feasibility of expanding the dormant assets scheme.

I have taken a close interest in gambling addiction for some time. By all accounts, it is the silent addiction—the one that gets the least interest and funding, especially compared with drugs and alcohol. Sadly, there is often a link between gambling addiction and other addictions that might not always be identified. Therefore, as the secondary harm, gambling addiction might well go unnoticed until it is too late. Research indicates that the vast majority of those who gamble do so without problems and overall rates of problem gambling remain low, at less than 1% of the total adult population, yet I am sure that we are all acutely aware of the devastation that gambling addiction can cause. The NHS website estimates that there are nearly 600,000 problem gamblers in Great Britain. I was struck by GamCare’s estimate that for each problem gambler, there may be 10 to 15 other people whose lives are adversely affected by their activities.

The health implications of problem gambling are such that there is a clear overlap with public health policy and practice, especially on mental health issues and substance misuse. I have spoken with my ministerial colleagues in the Department of Health, and officials from that Department and mine have met to discuss the issue. My officials continue to take this work forward.

Returning to funding for gambling-related harm, it would be remiss of me not to highlight that the gambling industry contributed more than £7 million to the Responsible Gambling Trust to fund research, education and treatment for gambling-related harm last year. Under their current licence requirements, all gambling operators must make an annual financial contribution to one or more organisations that perform research, education and treatment. The vast majority choose to contribute to the RGT, the leading charity in the UK committed to minimising gambling-related harm, which aims to prevent people from getting into problems with gambling and ensure that those who do develop problems receive fast and effective treatment and support.

The RGT’s funding priorities are guided by the national strategy advised by the Responsible Gambling Strategy Board and endorsed by the Gambling Commission. I was heartened to see in the national responsible gambling strategy that the gambling industry is now committing significant resources to harm minimisation, over and above its voluntary contributions to the RGT.

Kelvin Hopkins: The Minister mentioned the staggering figure of 600,000 problem gamblers. That requires more than rehab and treatment; it requires measures to prevent people from getting into that situation in the first place.

Tracey Crouch: I agree completely. I know people who have lost everything in their lives to gambling. We must ensure that we work across Government not just to tackle harm but to prevent people from getting into such situations in the first place. The one thing that I know about gambling is that it is pretty indiscriminate in terms of who becomes addicted, much like addictions to alcohol or drugs. When we talk about vulnerable people, and especially when we talk about gambling in general, we often think about deprived communities—I see it in my own community in Chatham—but the truth is that people from any walk of life can become addicted to gambling and lose absolutely everything as a consequence. That is why we have to do much more on prevention and treatment of gambling.

To return to what we are doing in research, education and treatment, it is clear from the strategy that gambling-related harm is a complex area—I know that at first hand from speaking to people in my constituency, from knowing individuals and from reading the letters I have received as Minister responsible for gambling policy. I therefore welcome the work undertaken by the RGSB in the national responsible gambling strategy published in April. For the first time, the strategy was put out for public consultation and subsequently agreed by all those who have implementation responsibilities. It will help the industry, the Gambling Commission and the Government to focus our responses, and indeed our resources. The areas that the strategy will support include setting research priorities and determining best practice in preventive measures, effective treatment and targeted interventions aimed at reducing gambling-related harm. The RGSB is now working with the RGT to estimate the costs of the activities identified in the strategy, and the Government will work very closely with the Gambling Commission and the RGSB on its implications.

The hon. Member for North Ayrshire and Arran (Patricia Gibson) made the point that this is a debate about principle, and she is right. Let me be clear: I am sympathetic to the principle. There are practical issues that need to be discussed, but my view is that every extra pound put into preventing or treating gambling harm is a good thing. I thank the hon. Member for Inverclyde again for securing this debate and other Members for their valuable and informed contributions. I take problem gambling seriously and am deeply committed to ensuring that the gambling industry makes appropriate contributions to these important areas, including funding programmes of research, prevention and treatment of gambling-related harm. It is clear that Members who have spoken so passionately on this issue today and in other debates share that aim.

Ronnie Cowan: I believe we are heading to a vote, so I shall be extremely brief. I welcome the Minister back from maternity leave; I hope the transition is not too difficult for her. I thank the hon. Member for North Ayrshire and Arran (Patricia Gibson) and for Caithness, Sutherland and Easter Ross (Dr Monaghan) and those Opposition and Government Members who were here earlier.

I am not lambasting all gambling. The issue is problem gambling, and we have to address it in some way, shape or form. The funds are potentially there to be partitioned off and used responsibly. BetVictor is based in Gibraltar and many other betting companies are based abroad. They have the technology, and their first option must always be to trace the owners of the money. If they cannot do that, let us see what we can do with it in a positive fashion.

I believe I heard words of progress from the Minister. My one reservation is that the Department for Culture, Media and Sport’s report, which was written by the
then Liberal Democrat MP Don Foster, was published in 2010 and we do not seem to have moved any further since then. I hope we are now starting to move in the right direction.

*Question put and agreed to.*

**Resolved,**

That this House has considered dormant betting accounts.

5.23 pm

*Sitting adjourned.*
Westminster Hall

Wednesday 6 July 2016

[Mr James Gray in the Chair]

Artistic Remuneration for Online Content

9.30 am

Mr James Gray (in the Chair): Before commencing our first debate, may I remind hon. Members that reference to people in the Public Gallery, no matter how distinguished they may be, is out of order and should not be done during the debate?

Nigel Adams (Selby and Ainsty) (Con): I beg to move,

That this House has considered artistic remuneration for online content.

It is a pleasure to serve under your chairmanship this morning, Mr Gray. I thank my hon. Friends the Members for Somerton and Frome (David Warburton) and for Folkestone and Hythe (Damian Collins) for helping me to secure this important debate.

Everyone is aware that the creative industries are one of this country’s greatest assets. The Government’s own analysis shows that the gross value added of the creative industries in 2014 was in excess of £84 billion, which accounts for around 5.2% of the UK economy. Essentially, they have been a source of growth in recent years, increasing by 6% since 1997, compared with 4.6% for the UK economy as a whole. However, we would be doing the industry a disservice to consider its value in purely economic terms, because its impact is far wider.

Our creative industries are our voice to the world. Very little, if anything, contributes more to the UK brand around the world than our artists, writers and directors.

The Minister for Culture and the Digital Economy (Mr Edward Vaizey): Hear, hear.

Nigel Adams: Quite right.

Just a few weeks ago, the trade body, UK Music, published a report on the value of music tourism to the UK, which showed that direct and indirect spending in 2014 from music tourism was £3.7 billion. Some 38% of live music audiences are music tourists: music lovers from outside the UK. They come because they love our world-class artists and our fantastic venues and festivals. It might be easy to take our creative industries for granted and to assume that the country that gave the world Shakespeare, the Beatles, Harry Potter and Banksy will also be at the forefront of the global culture landscape, but that would be a massive mistake. Indeed, we in this House have a duty to ensure that our cultural sector has the tools to grow, including a copyright regime that is fit for purpose in a digital online market.

Members may have read about the recent public disagreement between songwriters and artists and YouTube over royalties paid by the service. In the last few weeks, 186 major artists in the US and over 1,000 in the UK and Europe have signed public statements of dissatisfaction addressed to the US Congress and to Jean-Claude Juncker. Signatories range from Sir Paul McCartney and ABBA to Ne-Yo, Idina Menzel and deadmau5, and even include the former French first lady, Carla Bruni, who is also a recording artist—although I do not have too many of her tracks on my iPhone.

Last month, I met members of PRS for Music and songwriters and composers whose music and songs are enjoyed around the world. I heard from them the dissatisfaction that millions of streams can result in just a few hundred pounds in royalties or, in some cases, no royalties at all. Most dramatically, I spoke to one songwriter who was entitled to 25% of the revenue from a song he wrote, but who had seen a mere £5.39 from almost 3.2 million plays of that song on YouTube by listeners who actively sought out that track. Meanwhile, the same songwriter saw several times that amount—a princely £87.79—from the 180 occasions on which the song was played in stadiums in the UK, despite those listeners being passive and hearing what others chose to play for them. That seems to be a pretty upside-down arrangement.

To show how far behind the law the balance is, Geoff Taylor of the British Phonographic Industry recently said that British artists saw more revenue in 2015 from the 2.1 million vinyl LP sales than from the 27 billion music video streams on YouTube and similar platforms. It is not difficult to understand the despair of a writer or artist who sees their life’s work online with little hope of any financial reward now or in the future. This is particularly a problem for less high-profile producers, writers and creative people, who are less likely to have additional income streams from endorsements or touring.

High-profile artists are often very concerned about this problem and its impact on other members of the creative community and their teams. A big artist will often get little sympathy and, as we have seen recently, there may even be a backlash from the media and consumers for speaking out about the problem if they are perceived to be well off. Fair or unfair, this reaction just makes it harder to expose the problem and to support fair remuneration for those in the industry who are less famous.

The basis of the music industry’s concerns is the so-called “safe harbour” laws, which in the US, EU and UK give user upload streaming services the same protection from copyright as host providers, such as personal cloud locker services. This is despite the fact that they operate entirely differently and, more importantly, impact the market in different ways. Take, for example, a comparison between Spotify and the user upload site Dailymotion. Both sites allow users to search for and listen to Adele’s track “Hello”, one of the fastest-selling tracks of all time. Spotify is licensed to stream that track and thus pays the artist, songwriter, producers, musicians, publishers and labels that are so crucial to creation of the content, but Dailymotion does not. Due to ambiguity in the safe harbour framework, user upload services can claim to be mere hosts of their user’s content and, as such, are not required to share with the creators the wealth they generate for themselves. That does not seem fair.

When a business model is based on making available to consumers creative content created by others, surely we as lawmakers must ask whether this is right. In fact, the very premise of copyright is to ensure that creators are paid when their work is exploited by others.
It may be easy to argue that the current framework is good for consumers. How can it not be, when music can be enjoyed more easily than ever before? However, I would add a note of caution to such assumptions and suggest that the user experience may not be as positive as it might first seem. When faced with piracy, it was universally agreed that creative content has an intrinsic value that must be protected if the future generation of creators are to be nourished for society’s economic and cultural benefit. These principles remain true today and we must not replace one market failure with another.

Equally, there are impacts on the licensed streaming services to which many users pay a monthly subscription. These services are forced to compete on an unequal playing field with user-upload services that pay little or nothing to creators. They are forced to offer their own ad-funded services, which are often run at a loss or subsidised by income from the subscription service. The net result is less competition in the market for subscription pricing and ultimately consumers could lose out.

In March, the all-party parliamentary group on music, which I chair, hosted a dinner to discuss the growing music streaming market. The dinner was well attended by services such as Apple Music and Spotify, as well as representatives of the music industry. It was clear from the dinner that streaming presents many opportunities for the industry and that it is embracing them. However, there are challenges in ensuring the music industry captures this value, such as whether advertising revenue and ad-funded models are sustainable and the growth of ad-blocking and stream-ripping technologies that can have an impact on the amount of remuneration the industry receives in return. The legal position of safe harbours and how they interact with the market perhaps presents an even more fundamental problem, and this will continue unless action is taken.

The Creative Industries Council launched its strategy this week, with many recommendations to the Government and industry alike. The council is seeking legal clarity concerning the liability of platforms that actively host and market content. Specifically, it argues that to maintain an intellectual property framework fit for the digital age, such platforms should not benefit from safe harbours. The Government have indicated that they would support a clarification too. I would be grateful if my hon. Friend the Minister said what plans the Government have to respond formally to that recommendation and what further steps they are taking to achieve that.

Kevin Brennan (Cardiff West) (Lab): I declare an interest, in that I earned £10.60 in royalties from PRS last year for my songwriting—and paid 40% tax on it. Will the hon. Gentleman address the role of search engines in all of this? I recall that a few years ago we did a search during a debate and found that most of the results that came up were from illegal sites. Is that an issue that he thinks the Government should also be doing more to address?

Nigel Adams: It is absolutely an issue that needs to be addressed. I have myself searched online and found that the results I get are from piracy sites. Something has to be done. There is a responsibility in this respect not just for Government, but for the search engines themselves. Perhaps afterwards I can help the hon. Gentleman spend his £5.60 as we discuss what should come out of this debate.

We are in a unique place to address these issues and ensure that we are world leaders in striking the right balance between the promotion of technology and creative innovation. With the recent vote to leave the EU, the UK Government will have full control over policies related to digital streaming and artist remuneration. Will the Minister undertake to investigate whether provisions can be put in place so that once we eventually leave the EU, our UK industries can fully achieve the value in their rights?

Mr Vaizey: Hear, hear.

Nigel Adams: That is encouraging. Will the Minister investigate, for example, the possibility of introducing a sunrise clause into the Digital Economy Bill? That could ensure that active hosts of content do not benefit from safe harbour when legal systems have been transferred and the European Communities Act 1972 is repealed.

It will not surprise hon. Members to hear me say that the music industry has undergone tremendous change and readjustment in its business models over the past couple of decades. The latest Intellectual Property Office and Kantar Media online copyright infringement tracker, published yesterday, concludes that the top three sources of music are YouTube, with 52%, Spotify, with 30%, and the iTunes App Store, with 20%. Use of Spotify has increased by 5% since last year’s tracker, while iTunes has fallen by 6%. The consumer trend is clearly moving away from music ownership. Copyright still reflects ownership for the creators of content and the infrastructure that supports it. We must ensure that those ownership rights are respected.

9.42 am

Kerry McCarthy (Bristol East) (Lab): It is, as ever, a pleasure to serve under your chairmanship, Mr Gray. I congratulate the hon. Member for Selby and Ainsty (Nigel Adams) on securing the debate and on all the work that he has been doing with the all-party parliamentary group on music.

This issue is of real and growing concern to musicians and has been for some time. As an MP for Bristol, which a fairly recent survey showed had more musicians than anywhere else in the country, I thought it was important to speak in this debate, and I am pleased that my constituency neighbour and hon. Friend the Member for Bristol West (Thangam Debbonaire) is also here to speak. She will be joining me in supporting Bristol’s bid to be capital of culture in a few years’ time, and obviously the musical contribution that Bristol can make is a very important part of that.

I associate myself with the views expressed by the hon. Member for Selby and Ainsty on the need for further action to address piracy, and especially on how search engines facilitate piracy and the need to clarify the legal ambiguity of safe harbour provisions, which are allowing the development of parasitic digital platforms that leech value from this country’s creative industries. I will be interested to hear what the Minister has to say and whether he plans to introduce clauses into the Digital Economy Bill to address that loophole, but...
today I want to speak on behalf of artists and about the need for a more equitable distribution of digital royalties between them and their record companies.

For many years, artists have spoken out about the considerable difficulties that they face in trying to make a living from the royalties that they receive from streaming. Taylor Swift pulled her last album from Spotify to make that point. Clearly, Taylor Swift will not be short of money whether or not she sells material through Spotify, but it was important that she took a stand on behalf of the many musicians who rely on royalties to make a living. If they do not get sufficient revenues from digital streaming, they literally cannot afford to be professional musicians.

Mr Gregory Campbell (East Londonderry) (DUP): Does the hon. Lady agree that although an artist of the standing of Taylor Swift has considerable financial and musical clout across the globe, that is not shared by the hundreds and perhaps thousands of musicians who have not yet broken through and perhaps will never reach anything like the standing that she has? What we are trying to do today is represent those artists, as opposed to one who has made a breakthrough and can take a stand. We are representing the many who cannot do that.

Kerry McCarthy: I totally agree. A few years ago I went into BPI’s offices and the staff there showed me the impact of illegal downloading on record sales, using Adele as an example. It was quite startling to see, by the second, how many hundreds if not thousands of illegal downloads there were. I said to them, “Yes, that does make a certain point, but I want to see what impact it has on the income of a struggling indie band that is on the verge of breaking through.” It would be easy for people to say, “Well, Adele is selling millions.” Yes, she is clearly very wealthy and perhaps can afford for people to access her content for free, but it is the principle, is it not? That principle should apply across the board. I have always said that it is up to artists whether they want to make their content free. If they see that making their content free online is a good move for their career, that is their choice, but it is equally their choice to be paid if they want to be paid, and people should not download illegally.

Going back to the legal streaming services, if we are to secure the future sustainability of the sector and encourage vibrant new acts to come forward, it is vital that artists can earn a decent living in the digital environment. The problem will only become more acute in the years ahead, as digital music revenues will continue to outstrip those from physical formats such as CDs and vinyl. There is a bit of a vinyl revival, but that will always be a niche area. It is illustrative that when I was talking to my teenage and early twenties nephews and nieces the other day, I found that they had never bought a CD. I think it is on the verge of becoming a redundant format.

There is an issue about how Spotify calculates payments to rights owners. It is too complex to go into detail about here, but it means that the money that we as individual consumers pay for streaming does not directly go to the bands and artists we are listening to the most, and it penalises bands with strong fan bases. The primary cause of the problem that artists face with streaming royalties, though, lies in the contract that they have with their record label. Those contracts continue to pay artists royalties for streaming as though the stream were a physical sale of a product. They are continuing with a royalty rate from the pre-digital era, so things such as the manufacture, storage and distribution of a physical product such as a CD or vinyl album are factored into the contract. That simply cannot be justified when there is no physical product on the market.

Jim Shannon (Strangford) (DUP): Is not the case that the artists now have to accept that they need to be part of the digital streaming process whether they like it or not, and perhaps be dragged screaming and shouting into a new age where they do not want to be? That is the information that I am getting back.

Kerry McCarthy: It is always the choice of an artist how they want to market their product. Some artists are quite happy to do it on a part-time basis and just put their stuff on SoundCloud or whatever, or are happy just to be on the live circuit. It is clear that online content and streaming services are the future of the industry, but my point is that at the moment the musicians get only about 10% to 15% of what the label receives from the streaming service, because the physical cost of a product is built in. There are some contracts that are far more favourable to musicians, but by and large they are not, which the Musicians’ Union has been campaigning on.

In almost all cases, an artist will never see any of the online royalties at all, as their contract sweeps up the rights they have to royalties from the sale of recordings until they have paid back the advance they received from the label and any expenses incurred recording and promoting the artist. I argue that a fairer split of 50:50 would seem entirely reasonable, especially as this already exists for public performance and broadcasting income thanks to the equitable remuneration right. The Musicians’ Union has argued that when performers transfer their assailable rights, 50% should be a non-assignable equitable remuneration right, with the other 50% being an exclusive right assignable to the record company, to ensure that performers receive income from digital sales and streaming whether or not they still have an outstanding balance with their record label. For their part, record labels would be able to recoup their investment from royalties assigned to them under the exclusive right.

The Fair Internet for Performers campaign is taking this issue forward Europe-wide by campaigning for an amendment to EU copyright legislation. The hon. Member for Selby and Ainsty has already mentioned what the impact of Brexit would be and whether in a few years’ time we would be free to set our own rules. I would be grateful if the Minister clarified where we are in the limbo years, as we might call them. Will we adopt the EU copyright legislation as national legislation? Does he regard the EU legislation as a practical way of adequately rewarding artists in the UK for the streaming of their recorded performances?

It is vital to ensure that income streams actually reach creators, to ensure not only that performers can make a living from their art, but that corporations
continue to have that talent to exploit, and for the future of new music and art, which I think all of us in this room would agree is incredibly important.

9.51 am

David Warburton (Somerton and Frome) (Con): It is a pleasure to serve under your chairmanship once again, Mr Gray. I too congratulate my hon. Friend the Member for Selby and Ainsty (Nigel Adams) on securing the debate.

When Thomas Edison shouted “Mary had a little lamb” into his phonograph in 1877, he precipitated a musical earthquake, to use modern parliamentary language. By the time I was a teenager in 1977, buying albums and singles was not only the only way to get hold of the music we all wanted, but the primary way in which many of us defined ourselves. Artists then enjoyed an incredible boom. Someone might record an album on to cassette now and again, but that would usually result in a trip on the bus to Our Price Records—where I worked for five years—to get hold of the real thing: the 12-inch record, with all its magnificent gatefold glory, in all its splendour. When we got our hands on this object of desire, the artists would in turn get their hands on all the rewards for the joy that they had uncorked, but that is not so today. Now, the songwriting artist can uncork just the same degree of joy and deliver it to the world, which can receive it with the same degree of rapture but without paying a bean. We can click on YouTube and watch or listen to pretty much anything we like anytime and anywhere—unless we are in Somerset, where there is no internet or mobile signal—and do so for nothing.

Kevin Brennan: Is it not the case that people have always been able to listen to music for nothing? We could listen to music on Radio 1 for nothing when we were teenagers in the ’70s. In a sense, streaming is the equivalent of that, in that it does not involve ownership. The issue is the lack of reward for the artist under this new way of listening to music for nothing.

David Warburton: Absolutely. The hon. Gentleman hits the nail with all of his head. He makes a perfect point, which I am just about to come on to; he is reading my mind.

When we click and listen, not only does the artist’s music become more ephemeral, more fleeting, less substantial, less physical, less tangible, but it also becomes commoditised, losing its uniqueness, brand and differentiation. In the way of the digital world, the user feels it is only right that the content should be provided free of charge. So now we have artists who attract huge audiences and whose content is played and shared millions of times, but who receive just chickenfeed—nothing more than a trace of recompense, having entertained people across the globe.

This began perhaps 15 or more years ago with download sites such as Napster and Kazaa—for which, incidentally, my company in a previous life provided all the mobile content globally. The music industry was slow to pick up on this revolution, but having got to grips with the download model, and with sensible paying business models finally emerging through iTunes and so on, it is now facing a new assault from the online streamers.

Jim Shannon: If the streaming services become over-regulated, which is what this debate is very much about, it could well be the case that, as the Financial Times has said:

“It is just as likely that consumers would sate their appetites for free content by returning to piracy instead.”

Does the hon. Gentleman share that concern that the Financial Times, and many of us in this Chamber, have?

David Warburton: I not only share that concern but think there is a concern that the streaming sites where the content is available for free are, in effect, pirate sites; they are providing the service that pirate sites would otherwise provide. Just because users might be pushed to other pirate sites, that does not mean we should not address sites that seem legitimate and are also providing the service for nothing.

Since YouTube is protected and shielded by safe harbour, other streaming sites find it harder to encourage users to cough up and pay for a subscription. Why would anybody pay if the content is available for free? Fundamentally, there is a clear transfer of value taking place from the content creator to the online provider. If there is an obvious transfer of value, it must be made clear that the online provider has a duty to compensate the creator accordingly. This is not much like the last time the industry faced the digital world. That time the industry closed its eyes, covered its ears and pretended it was not happening, but this time there is little doubt that streaming music is likely to be the key destination for consuming the products of much of the music industry.

The emerging business model is, of course, the subscription service, because it is the ultimate business model—it has clear, definable revenues, near certain cash flows and transparent growth. But as the streaming services see subscription revenues surging and advertising revenues bulging, the artists—the fundamental source of all that—become pretty much forgotten. That is patently wrong, and we must address it.

Government have their part to play. If the concept of active and passive content hosting is included in the Digital Economy Bill—I am sure we all look forward to hearing the Minister’s views on that later—that could well prove to be the answer, preventing active hosts from hiding behind safe harbour. Government must now work with the industry and the platform providers—the streaming services, the hosts and the content providers—to build a consensus and a model that is sustainable for all parties and that, crucially, allows those who uncork and create the joy, upon whose efforts the whole edifice is built and whose sound and fury draws us all in, to be properly rewarded and have proper control over all that they create for the rest of us.

9.58 am

Thangam Debbonaire (Bristol West) (Lab): Thank you for allowing me to speak, Mr Gray. I also give grateful thanks to the hon. Member for Selby and Ainsty (Nigel Adams) for securing this important debate, which is both necessary and timely. It is all the more timely for us to be discussing this issue now, when the country hits voted to leave the European Union, as so much of the regulatory framework is currently set by the EU. I would be interested to know the Minister’s thoughts about that.
First, I declare my interest as a former member of the Musicians' Union, which donated £6,000 to my campaign during the general election. I also recently visited part of Google's massive UK operation, as part of a parliamentary visit last week to the creative industries that was organised by the Industry and Parliament Trust and the Advertising Association. I can report that Google does a good sandwich lunch and presented me with a very nice notebook. I can also report that it was from a YouTube channel “The Oma Way” that I learnt to do continental knitting from a German grandmother. As a former musician myself, I am very pleased that so many music lovers enjoy the ability to listen to music from the internet. I am also married to a musician and am close friends with a composer and other musicians.

Most importantly, Bristol West and Bristol generally is a very creative city, as my hon. Friend the Member for Bristol East (Kerry McCarthy) said. Many people work in my constituency in the creative industries. Musicians, composers and music lovers in Bristol West deserve and want a fair system for online remuneration—one in which musicians have much more control. So do I: that is why I am here, and I will be reviewing a couple of technical aspects of this knotty problem.

The situation with artists’ remuneration online is very far from straightforward, although there are those who would like to see it as so. There are many stakeholders in the process, each of whom would like to be seen as innocent angels, because it is not only Google who’s not to be evil. However, there needs to be a balance of rights and responsibilities that is proportionate to the power held by each stakeholder. Google, as the world’s No. 1 search engine and YouTube, the dominant player in online video, both have far more power in this process than the consumer or the musician. The recording industry also has more power than the newest indie band or individual composer.

Within that process, there are search engines, file downloading sites, the recording industry, musicians, technical professions and, of course, the music lover. We owe it to everyone in that process to have a system that is not only transparent and fair, but relevant for our times.

Right now it is vital that the entire sector and Parliament are aware of what the results of the UK exit from the European Union will mean for the industry. The copyright directive, for example, which harmonises—to use an appropriately musical term—copyright law across Europe, including the application of copyright and control techniques on the internet, restricts the range of defences to copyright infringement. We do not yet know whether that area of UK law, directly derived from the EU directive, will be one of the pieces of so-called “red tape” that those who have campaigned for us to leave the EU will want to sweep away. Before I move away from Brexit, I would add that that would be a disaster for the UK’s music industry. I would like to know what the Minister, who I know is a music lover, is going to do to protect the industry during the Brexit process.

It is not sufficient for the more powerful players to say, “We are just providing the platform,” or, “We are only running our algorithm to give search results to consumers.” If the less powerful players, such as the musicians or trade unions or the recording industry, can easily find examples of unlicensed products on a streaming platform or in the results of an online search, so too can the search engines and the companies owning the streaming platform. They are the ones who are most in control of how the music is consumed and the options for performers and the recording industry to receive their fair share of advertising or subscription income, and they must be required to play fairly.

YouTube, for example, reports proudly that “the rights holder has total control over what happens to their content on YouTube”.

That is simply not how performers experience it. As YouTube hosts user-generated content, it is the users generating the content and, jointly, the platform itself that have the most control. If an artist or recording company wishes to get their content blocked or monetised, they first have to know that it is there and then they have to contact YouTube to ask for it to be taken down or monetised. They can, and do, do regular searches of their name on YouTube or other streaming platforms, but if they can, so can YouTube.

YouTube has indeed invested $60 million to build a fingerprinting technology called Content ID to allow rights holders to identify when their works are used in the user-generated content. That technology has helped to compare millions of media files and hours of video, but it is insufficient for the job and is still leaving the responsibility with the performer and the recording industry to take action once they discover that there is unlicensed product on the platform.

YouTube now represents such a large proportion of total music consumption. That is great, but as a consumer of YouTube, I want to know that every single piece of music consumption is providing proper remuneration for the artists who create it and for the recording industry that provides the means to record it. I do not have that certainty, despite being involved in and modestly knowledgeable about the music industry and being modestly well briefed. Despite the phenomenal growth in online streaming of music content, YouTube contributes only about 4% of total music revenues—less than that contributed by vinyl, as my hon. Friend said.

YouTube makes use of a safe harbour provision in copyright law, as has been said, which allows it immunity from copyright liability providing it responds to takedown notices. However, that still places the responsibility away from the company itself and is therefore insufficient. I would like to see host companies such as YouTube and others take full responsibility without being able to hide behind the safe harbour provision, which was created 15 or so years ago, without any idea of how widespread music content uploading would become. I would also like them to move from a system of “notice to take down” to one of “notice to take and stay down”.

Otherwise, the music industry continually has to play whack-a-mole, as new user-generated music content is uploaded.

Google is the world’s most used search engine. That presents another challenge: for Google to take responsibility for the results of its search engine, which routinely directs consumers to links to unlicensed sites. The British Phonographic Industry has sent more than 200 million notices to Google requesting it to remove illegal links to their members’ music. Again, that still places responsibility on the industry. Rights holders can supply machine-readable lists of sites that have been licensed to offer
that they are often seen as not simple to navigate and online use and consumption may be a good idea, radio in the user experience.

Google employs very smart people, as I saw last week on my visit. I simply do not believe they are incapable of reforming their search engine algorithm. We would not tolerate a billboard that directed people to buy music from a shop that was using only stolen CDs, nor would we tolerate a radio station or TV company advertising such a shop. The time has come to require search engines to act responsibly, and I would be grateful if the Minister responded to that request.

As has been mentioned, the Musicians’ Union and the BPI both acknowledge that the development of online streaming has been a phenomenal success. For music lovers, it gives them access to an enormous catalogue of music. That is fantastic, but it is arguable that online streaming is equivalent to listening to the radio. Consumers do not possess that music and they know it. They cannot listen to it offline and the experience is more like a broadcast with curated playlists than iTunes or any of the download services. That suggests that the system of royalties for internet streaming should be closer to that for radio. I therefore support what my hon. Friend said about an equitable split of income—I think she may have said a 50:50 split—between musicians and the recording industry for online streaming, as well as an adequate “take and stay down” notice system for the online industry.

The equitable remuneration right was introduced in 1996 and ensures that performers enjoy royalty payments from the very first radio airplay of their recordings. Such a system also needs to exist for streaming. I believe it is both vital and possible to create a system whereby nobody in the process, from consumer to website owner, can hide behind the defence of “I did not know”, “I don’t believe the illegal sites are treating artists unfairly”, or “It’s not my problem: the way the artists are remunerated is up to the recording industry and nothing to do with us, the online industry”.

To sum up, I would like to know whether the Minister supports any or all of the following or whether he will consider them: a move from “notice and take down” to “notice and stay down” for notifying streaming services about unlicensed content; a shift in responsibility from the music industry to spot and notify search/streaming services to the services themselves, so that they take responsibility for what user-generated content is uploaded; a requirement for internet search engines to amend their algorithms to direct consumers to legal sites, not illegal sites, and also to co-operate fully with the music industry on this; and moving the licensing system to remunerate artists and composers fairly with the recording industry for online streaming, given that it is akin to radio in the user experience.

Reforming the licensing laws in any case for offline and online use and consumption may be a good idea, given that they are often seen as not simple to navigate and not transparent. I would be interested to hear the Minister’s thoughts on that point. Finally, we need to see that the music industry is protected throughout the process of leaving the European Union. The music industry deserves better than the situation we have at the moment for artists’ remuneration. Musicians deserve better; composers deserve better; above all, music lovers deserve better.

Jim Shannon (Strangford) (DUP): I just want to make a small contribution to the debate. I congratulate the hon. Member for Selby and Ainsty (Nigel Adams) on presenting the case here in Westminster Hall and I am sorry I was not here at the beginning of the debate; I had another engagement at 9 o’clock and it went on a wee bit longer than I thought it was going to. However, I am adding this small contribution to support what he and other hon. Members have said.

According to the chief executive officer of Sony, streaming services such as Spotify are the “final destination” for the music industry, if it is to survive. Some artists are vehemently against Spotify and the like, but the reality is that, if they do not move with the times—this is the point that I tried to make in my intervention—they will be left behind. There are some concerns about that. I am not saying that we must accept the inevitability of everything in this world, swallow hard and move on, but sometimes the hard facts are in front of us and we have to look at them.

Global music sales slipped by some 0.4% in 2014 to £15 billion. The industry body, the International Federation of the Phonographic Industry, reports that download sales, largely through Apple’s iTunes, slumped by 8%, which shows that there have been changes in the industry and to how music is delivered. Total digital revenues rose by some 6.9% to £6.9 billion, with streaming services such as Spotify and Deezer increasing by 39% and delivering £1.6 billion of revenues.

Artists who are unhappy with the development of digital streaming services will have to accept the reality sooner or later. They must—and I say this with great respect—get into the tent and influence their relationship with streaming services, rather than having no input from a position of protest. If the emerging streaming services become over-regulated, as the Financial Times said,

“It is just as likely that consumers would sate their appetites for free content by returning to piracy instead”.

The purpose of this debate—as it often is in Westminster Hall—is to get a balance and to see whether we can find a way forward. It is about solutions and not about negativity. Government statistics show that 26% of users have accessed content illegally. Those are the facts. It must be unbelievably easy to do so and it suggests that the Financial Times’ prophecy would be fulfilled should those in the music industry, and in the new media and streaming services, fail to strike the right balance and find the right way forward.

It is only right that all people are compensated for their labour. Even the richest of artists deserve to have intellectual property and copyright rights respected under the law. It is important to strike the balance, for there is much to lose for either side if they fail to do so.
Kevin Brennan (Cardiff West) (Lab): I had not intended to make a speech, but the debate has been so stimulating that I have awoken and got to my feet. I just want to make a few general points because I have not prepared any remarks.

Like my hon. Friend the Member for Bristol West (Thangam Debbonaire), I have been doing some activities with the Industry and Parliament Trust, which is an excellent body that allows parliamentarians to get a more in-depth knowledge of business. In my case, that has been in relation to the music industry. Over the past 18 months or so, I have been visiting all sorts of different businesses and aspects of the music industry from collection societies right through to record companies and small, independent songwriters and producers. I have had the opportunity to see all the different aspects of the music industry, as many different industries are involved in the production of music, which is a fascinating eco-structure.

Having observed lots of different aspects of the music industry over the past couple of years, it is pretty clear to me that there is a trend towards streaming; it is the main way in which consumers listen to music now and it will be into the future. That has implications for the way in which artists are remunerated.

Despite what hon. Members have said about CDs disappearing and so on, a surprising trend in the music industry has been the growth of the compilation CD, which has gone against the trend of declining CD sales in recent years as people want somebody to curate the vast amount of music that is placed in front of them on their behalf. People purchase compilation CDs because that curation is done for them. Those consumers are, generally, of a certain age but, nevertheless, that has been a surprising area of growth reported by some record companies.

There will always be a demand for physical formats of music. The growth of vinyl sales is not just among people for whom music forms less of an obsession but there are millions of other people for whom music forms less of an obsession but is, nevertheless, an essential part of their life, even if they are not as obsessed as some of us.

Kevin Hopkins: I agree very strongly about CDs and vinyl. Does my hon. Friend agree that, as CDs are a physical form of music, sleeve notes, artwork and all sorts of other things add to the enjoyment of that music? It is not just about the sound through a set of headphones.

Kevin Brennan: Yes, I agree, but the point that I was about to make is that there are many millions of consumers for whom that is less important than it might be for my hon. Friend and I, who pore over such things. I am sure that he can remember, as I can, who played bass or slide guitar on which track, the exact length of each track, and who wrote the lyrics and the music—all the details that we store up.

The consumer model that is emerging is that the consumption of music will become part of most people’s general consumption of creative content, which will include film, music, television programmes and so on. We are moving into a world where people can consume creative content of whatever variety any time, any place, anywhere. That will work as a general subscription model in which most general consumers will pay for their internet, television and music all wrapped up into one family package. People already do that with their broadband, television services and telephone services. It is sometimes a bit of a stretch for consumers to go from nought to £10 but it is less of a stretch—although times are tough—for some illogical human reason, to go from £60 to £70 when they are paying into a subscription service. The Government, in their policy development, need to think through the implications of that trend.

We need the right copyright structure, legal structure and penalties, where they are required, to ensure that the people who make creative content are appropriately rewarded, whether it is from physical sales—which will continue to be an important part of revenue to the industry—or when their work is part of a more general subscription service. We must deal with the illegal content and the legal loopholes such as safe harbour that allow content to be consumed online without creators getting the appropriate reward. The Minister is a thoughtful person and I hope that he has something to say about how the Government see a way forward.

10.19 am

Pete Wishart (Perth and North Perthshire) (SNP): It is a real pleasure to serve under your chairmanship, Mr Gray, so long as you promise never to do those Scottish accents. I congratulate the hon. Member for Selby and Ainsty (Nigel Adams) on securing this important, though short, debate. I commend him for his diligence in chairing the all-party parliamentary group on music. I have an interest as a former recording artist, and I refer to my entry in the Register of Members’ Financial Interests.

In my 15 years as a Member of Parliament, I have had the great pleasure of speaking in most debates on issues related to the creative industries and the remuneration of artists. I have a sneaking suspicion that, in the future,
I will be standing here once again to discuss the same issues and challenges that we have heard so eloquently described by Members on both sides of the Chamber this morning. At the heart of the matter is how we ensure that our artists and creators, and those who are prepared to invest in their talent and creativity, are properly rewarded for the fantastic works they produce. Rights holders and investors should be properly rewarded for all their commitment.

The hon. Gentleman mentioned the success of our industry—we have always been world leaders in music. Our incredible success over the past few years is testament to the array of talent across the United Kingdom not only in music but in all our world-leading creative and cultural sectors. As legislators, it is our job to continue to create the best political environment to allow that talent and creativity to grow, thrive and develop. We cannot be the artists, although the hon. Member for Cardiff West (Kevin Brennan) and I attempt it on occasion with the world-renowned MP4. Our main job is to ensure that we do nothing that disrupts the wonderful creation of talent. More than that, we must see what we can do to create the best possible environment and conditions for talent to develop, grow and prosper. We must also ensure that this country remains one of the top exporters of music worldwide, as we have done pretty successfully over the past few years and decades.

I remember securing one of the House’s first debates on the music industry, and at that point it was all about piracy and digitisation. Music was just about the first discipline to get involved in the tensions and difficulties of the move towards digitisation. We were the first creative sector to do so, and we blazed a trail for others. We challenged some of the things that were happening. In the early days of digitisation and the move online, a culture started to emerge that suggested that, because the internet was out there, everything should therefore be free and accessible. Political parties were created to foster that belief. Pirate politicians were elected in several European nations to serve and fulfil that strong political culture. All that was happening, and the music industry tried to find a way through and had to meet many difficulties and challenges as the first creative industry in that environment.

Over the years, music has been relatively successful in meeting some of the online challenges. Piracy is not the major issue, although it is still a big issue—I welcome some of the measures in the Digital Economy Bill, which will treat theft online in the same way as theft of physical products from a shop or supermarket. We have fired a shot across the bow of the good ship pirate over the past few years, and we are making steady progress. I congratulate successive Governments on their vigorous efforts. The hon. Member for Strangford (Jim Shannon) and others have mentioned that streaming has been a massive success. I am a massive user of Spotify, and I like the way that I am able to access music, as do millions of people across the country who buy into the service, which allows us to listen to music in the way we want. There are all sorts of playlists, and the service is designed to be attractive to users. Such services have been successful, but we must secure a properly functioning digital market that enables creators and rights holders in the music industry to secure the true value of their works online. One of the most important things that we have to do is to address what can only be described as the value gap between rising music consumption and decreasing revenues, which both undermines the rights and revenues of those who create and invest in their own music and distorts the marketplace.

Someone is growing rich off the fat of the creative endeavours of our musicians and artists, and I assure the House that it is not the artists. Someone is massively profiting from the proliferation of music, and we owe it to ourselves to examine what is happening. I suggest that those who seem to be making the tidiest of profits are the platforms and hosts. Such companies add next to nothing to this country’s creative activity but somehow, because of their design, their algorithms, their marketing and their ability to provide access to this content, they seem to be making the largest profits.

Kerry McCarthy: Whenever I highlight the extent to which musicians rely on the income from their work, someone always answers, “Well, they can make money from touring and merchandise.” The big artists can do that, because the people who go to their concerts are prepared to pay vast amounts of money—such artists attract people who have the income to buy the T-shirts—but most bands cannot survive on touring and merchandise alone.

Pete Wishart: The hon. Lady is right. Making records and producing albums seems to be a loss leader for all the other activity that musicians are now expected and ordered to do to try to ensure that they are able to make a living from music. She has seen the figures from the Musicians’ Union that suggest just how depressed is the average musician’s income. I cannot remember the figure, but I am sure she knows better than I do that it is significantly low. That is a real issue for so many struggling artists. I am an unrecouped artist. I sold about 1 million records, but I have never received a penny for any of the records I sold when I was signed to a major record label. There was an expectation that we would make money from all this other activity. I concede that we did relatively well, but we did not do well from record sales. There is something incredibly wrong with the marketplace.

Streaming might be an opportunity for us to consider how we properly reward musicians for the works they produce. I am attracted to the 50:50 concept of the Musicians’ Union. Let us work towards recouping the investment that rights holders and record companies make in the artists, but let the artists start to earn a little from streaming services. Artists earn an absolute pittance from streaming services, and we should at least allow them to make that pittance a little more substantial.

Thangam Debbonaire: The hon. Gentleman is making some excellent points. Does he agree that the online industry’s domination of the income—it is keeping so much of the income and allowing the artists so very little—is equivalent to the person driving the van full of CDs having most of the income and the artists having very little? The online platforms are the vehicle. They
are the last bit of the process between creation and consumption. Does he agree that it would be better if we tipped the balance back towards the creators, without whom the industry as a whole would be nothing? We need creative people and the creative industries that support them in getting their output recorded.

**Pete Wishart:** There is very little on which I would disagree with the hon. Lady. We must restructure that relationship, but I caution her and others. The music industry in this country has a successful business model, and we are world leaders. We produce the artists and ensure that they are supported. I have nothing against record labels and the music industry investing in that talent and bringing it on in the usual paternalistic way. That is what happened when I was a recording artist, and the model is still successful. Rights holders should be properly rewarded for their investment in artists.

That brings me to my next point, which is probably the most substantial point in all this. Several Members today have raised the issue of safe harbour, which we have to tackle; of all the things that the Minister takes away from today’s debate, I hope that it will be that one. Safe harbour is a useful innovation, because it has encouraged a number of people who were tempted by piracy and illegal sites to come across to a legal framework where they are able to access some of the content.

The music industry's suggestion of distinguishing between active and passive safe harbours is a useful one. We all know what a passive safe harbour looks like: that is where people find a store of music, access it and do all the usual things. But when it comes to the manipulation of that music and to designing things in a particular way to try to create some sort of income for it, we get into the realm of an active safe harbour. At that point, royalties should be paid, to ensure that something comes back to rights holders and artists. I very much support copyright being extended to what could be considered as active safe harbours.

I am also attracted to the idea that streaming sites should be treated pretty much as a radio player—we heard about that from the hon. Members for Bristol East (Kerry McCarthy) and for Bristol West (Thangam Debbonaire), and it is a feature that we should be looking at. When I access Spotify, for example, I mainly use the radio services. I still do not see a distinction between listening to the radio in the morning and listening to the radio service on Spotify—I think they should be treated the same.

I am conscious of time and am obviously very keen to hear from the Minister, but I have a couple of things to say about where we find ourselves after the decision we made a couple of weeks ago about the European Union. The fact that we will not have access to the European Union is an absolute and unmitigated disaster for the musicians of this country. We will now be excluded from most of the debates about the digital single market, which is one of the biggest innovations in the placing of content online that we have ever seen in any part of the world. We have now taken ourselves out of that conversation about the structuring of the digital single market. That is a disaster for musicians in this country. I am not going to mince my words about this.

Another issue related to remuneration for artists that we will have to consider carefully is free movement of people in the music sector. One of the great innovations in the music industry in London is that we can draw in so many creative people who have so much to offer our industry—

**Mr James Gray (in the Chair):** Order. I am reluctant to interrupt the hon. Gentleman, especially using my English rather than Scottish tones, but he really must restrict his remarks to the topic under discussion today, which is remuneration for musicians for online services, rather than the wider issue of the effects of Brexit on the music industry.

**Pete Wishart:** I am grateful for your comments, Mr Gray. I will restrain myself, but we have to acknowledge that at the heart of this there are significant issues and challenges for the remuneration of musicians because of the decision taken. The hon. Member for Bristol East mentioned the right to equitable remuneration. A huge conversation is going on in the European Union to ensure that that is progressed and, again, we are now denied access to that conversation. There are massive issues when it comes to online remuneration of artists. The massive challenge incumbent on the Minister is to see how we design things so that our musicians do not lose out in the online environment, given that we are now in a very difficult set of circumstances for the way our musicians operate.

I finish by reiterating that this issue is really important. Our job—our main function—is to ensure that we set the best parameters in an environment for our musicians to develop and thrive. We have a fantastic product and resource in this country: some of the finest musicians in the world. We have enriched the souls of populations throughout the world with the wonderful works our artists produce and we have to ensure that we do nothing to further disrupt their ability to make that wonderful music. I appeal to the Minister to look at where we are, to ensure we make the right decisions on behalf of our artists and to consider the strong points made by hon. Members today.

**Mr James Gray (in the Chair):** I call Kelvin Hopkins.

**Mr Vaizey:** Hear, hear.

10.34 am

**Kelvin Hopkins** (Luton North) (Lab): It is a great pleasure to serve under your chairmanship, Mr Gray—it is a great pleasure to serve opposite the Minister as well. I congratulate the hon. Member for Selby and Ainsty (Nigel Adams) on securing this important debate and on his eloquent and well argued speech. I also congratulate all the other Members who have spoken on their eloquence and their erudition, which is rather more impressive than my own in this matter.

This area is clearly one in which further Government action is required to ensure that musicians, singers, songwriters, composers and producers receive their just financial reward—payment commensurate with their talents, creativity, hard work, popularity and need to make a decent living and receive appropriate rewards. As a former part-time jazz musician and a member of the Musicians’ Union in my youth, I have some acquaintance with the music industry, although I never had to depend on playing music for a living—unlike at least two hon. Members present, who have been professional
musicians and to whom I greatly defer. For 15 years I was a board member of the National Youth Jazz Orchestra and I am now an honorary member of that organisation, so I have a background in and current contact with music, although I have to say that popular music is not one of my areas of expertise.

As it happens, in my first Adjournment debate in this Chamber some 18 years ago, I called for better financial support for jazz from the Arts Council and the state sector in general. Many jazz musicians have always struggled to make a living from their music, despite their brilliance and their passionate and dedicated supporters and listeners. The audience for jazz is similar in size to that for opera, but the support it gets is a tiny fraction of that for opera—although I am an opera lover as well and do not want to see opera deprived of funding in any way. Famously, the great Ronnie Scott subsidised his jazz earnings by playing tenor saxophone on the hit recordings of Tommy Steele in the 1950s and ’60s. Many other jazz musicians were also session musicians to sustain their primary artistic concerns.

Downloading and streaming were unimaginable in my youth. The music world is now infinitely more complex, with sophisticated techniques necessary to ensure that artists are properly paid and not simply exploited by the online industries. That is a particular problem for Britain and British artists, because of the sheer volume of brilliant music and musicians of all kinds that this country produces. In classical music we are one of the greatest of musical nations; in jazz we are second only to its original birthplace, the US; and in popular music we have had a dominant position in the world since at least the 1960s. It is therefore right that we take the problems raised by the hon. Member for Selby and Ainsty and other speakers in this debate with the utmost seriousness.

As we have heard, the BPI, the Musicians’ Union and others, as well as some of our greatest artists, have made a number of proposals for the Government to include in the Digital Economy Bill. The sums of money made by Spotify, YouTube and others are huge, and far too little of that goes to the artists in the music industry. New legislation is absolutely vital to ensure that that happens. Securing proper payment has always been a problem for musicians and those in the music industry. Much music and many musicians through the ages have depended on subsidy and sponsorship from the rich, from rulers, from the Church and more recently from the state. We now have a sector that is commercially viable—modern popular music—but it, too, needs state protection to ensure that the industry’s musicians, singers, writers and producers receive their just rewards. The Government must act to make that happen.

10.38 am

The Minister for Culture and the Digital Economy (Mr Edward Vaizey): It is a great pleasure to serve under your chairmanship, Mr Gray; it feels like normal service for Strangford (Jim Shannon), for Cardiff West (Kevin Brennan) and for Perth and North Perthshire (Pete Wishart), and of course the hon. Member for Luton North (Kelvin Hopkins), whom I have to formally welcome as the official Labour party spokesman on cultural matters. I gave my maiden speech just after he had spoken, so there will be a wonderful symmetry if I give my final remarks as a Minister with him sitting opposite me, before I get fired by the new Prime Minister in the coming fortnight. That would be a lovely bookend to my comet-like parliamentary career.

Kelvin Hopkins: The Minister is being modest. He stands to be promoted, rather than sacked.

Mr Vaizey: It is invidious of me to single out individual contributions, but I particularly welcome the contribution of the hon. Member for Bristol West. I did not get the chance to have debates with her while she was briefly the Opposition culture spokesman, but I thank her for her kind remarks about me in one of her speeches when she held that role. In that speech she showed what a huge contribution she would have made to debates on culture as a Front-Bench spokesman, and definitely will make as a Member of this House.

I do not want to be snarky, but I noticed that the spokesman for the official Opposition spoke for around four minutes, whereas the Scottish National party spokesman spoke for 15 minutes. Perhaps we are seeing the shifting sands in the SNP campaign to become the official Opposition, although sometimes brevity is the soul of wit. Before I am ruled out of order, Mr Gray—

Mr James Gray (in the Chair): You are close.

Mr Vaizey: Let me get on to the subject in hand.

This is an important debate about a very successful industry. It is important for us to recall just how successful the British music industry is. For example, in 2015, one in six albums purchased around the globe were by British artists. We are the second-largest source of repertoire in the US and one of the biggest music markets in the world, alongside the US, Japan and Germany. Last year, Adele once again released the world’s best-selling album. Interestingly, that was the eighth time in 11 years that the global bestseller has come from the UK. Indeed, five of the world’s top 10 best-selling albums in 2015 were by British artists.

As hon. Members noted during the debate—particularly my hon. Friend the Member for Somerton and Frome, who took us right back to the beginning of music streaming—the digital technology revolution in consumer behaviour, which is disrupting almost everything at varying speeds, has of course disrupted the traditional model for distributing music. In the decade or so that I have covered this brief, both as an Opposition spokesman and as a Minister, I have seen that change take place. Indeed, when I first became a Minister, we inherited the
last Labour Government’s proposals to tackle piracy, which involved sending notices to individuals who were breaching copyright. At the time, I was sceptical about how effective that would be.

I do not want to prejudge matters, but I think the strategy we adopted has, to a certain extent, been successful. There has to be a combination of carrot and stick. We were successful—this is actually thanks to the music industry—in using existing fraud legislation in the courts to ensure that the most egregious pirate sites were blocked. Interestingly, because that was existing legislation, it did not provoke the kind of controversy that surrounds almost any attempt to “regulate the internet”. When such a measure was proposed in the United States, it resulted in a lively campaign, with people claiming that it would mean censoring the internet. Why anyone would accuse people who want to take down illegal content of censoring the internet is beyond me, but people somehow feel it is a legitimate point to make.

Alongside using legislation to block websites, the carrot, as it were, has been the rise of legal music services. I was particularly pleased to see the report issued yesterday by the Intellectual Property Office, which showed that the establishment of well-known music streaming services such as Spotify has helped to shift more people towards using legal sites. It is clear from reading the IPO report that we are not nearly out of the woods yet in terms of illegal downloading and listening, with some 7 million people in the UK apparently still accessing illegal content, but it is good that music streaming services have become more mainstream, even to the extent that I now use such a service. Some progress has been made.

Before Baroness Lucy Neville-Rolfe took over the intellectual property portfolio with such enthusiasm, I regularly held round-tables with Google and many others in the industry to discuss how they would help reduce access to illegal sites, with particular attention paid to searches that threw up such sites. I am pleased to say that the Minister in the other House has continued those round-tables. I have a huge degree of sympathy with those who say that Google could and should do more. Indeed, when it came to images of child sexual abuse, we were able to work with Google to ensure that something like 130,000 different search terms would result in a blank search return, so it is clear that Google can do work on its algorithm.

The Google argument is twofold. First, an image of child sexual abuse is clearly illegal and criminal, so Google feels it can act without the intervention of the courts. Secondly, Google likes to say that for material that infringes copyright there can sometimes be a grey area. Nevertheless, there is no doubt that it can do more. It has claimed that it has changed its algorithm, but any of us who go on Google every so often and type in the name of an artist to see what emerges will still see a list of illegal content websites coming up in the results. Google does work with some of the trade associations to ensure that links to illegal sites are taken down. As the hon. Member for Bristol West pointed out, the debate is shifting and Google is starting to take a more proactive attitude on such issues, in partnership with the music industry and artists.

We have also worked with the advertising industry. People put up websites with illegal content not as an act of altruism—if one can call it that when they are stealing somebody else’s property and giving it away—but to make money. We should not forget that. One way the people who run such sites make money is by having advertising on their websites, so we have worked closely with the UK advertising industry to ensure that legitimate advertisers do not see their advertising put on such websites. We lead the world in taking such action.

Before I address some of the substantial issues that have been raised, I should mention the Digital Economy Bill, which recognises the importance of tackling online infringement. We have extended the penalties for online infringement to match the penalties for physical infringement, as the hon. Member for Perth and North Perthshire mentioned, and the Bill will give us a chance to debate many of these issues again. I look forward to some of the brilliant contributions we have heard today being echoed in that debate. In congratulating hon. Members on their contributions earlier, I should have said how impressed I am by how many active musicians there currently are in the House.

On the issue of platforms, when we talk about safe harbour we are referring to the situation that has traditionally existed for the past 15 years. Intermediaries such as YouTube claim that they are passive recipients of content and that it is not necessarily their responsibility to police that content, although they claim that they do so voluntarily but do not have the resources to ensure that such content is not online. They claim simply to be a platform on which people can put their content.

As the hon. Member for Cardiff West said, the safe harbour legislation was introduced to encourage innovation. In many respects, it has been successful. When we debate these issues and look at the negatives, we should also remember the positives. A lot of platforms, and indeed the internet as a whole, have given an extraordinary opportunity to many artists who would potentially have remained undiscovered without them. Before the existence of the internet such artists had only one door to a successful career in the music industry, which was through the record labels. The internet has widened opportunities for artists as well as causing them considerable problems.

Obviously, what sits behind the idea of safe harbour is the e-commerce directive, but that is now quite legitimately a subject for debate, and it is perfectly appropriate for rights holders to argue that the hosting defence is being abused to allow copyright-infringing content to be hosted indiscriminately without their being remunerated. That is why the hosting defence creates a value gap, as it benefits intermediaries without compensating rights holders. The hosting defence also leads to a mismatch in negotiations, giving the whip hand to intermediaries rather than to artists themselves. There are also concerns about the different types of streaming business models, and about whether they provide the correct levels of remuneration to rights holders.

As a Government, we believe that businesses must act in a socially responsible manner. That applies to platforms, which should co-operate in the removal of copyright-infringing material without harming freedom of expression. However, as I said earlier, we must also recognise the role that platforms play in driving innovation.

**Kelvin Hopkins:** Too often we have heard Ministers just exhorting people to behave well. Is the reality not that we need strict, firm, strong regulation to make sure...
that things happen, so that we do not just have to rely yet again on warm words to help musicians when what they really need is legislation to protect them?

Mr Vaizey: The hon. Gentleman makes a fair point. Many hon. Members have asked what the position on the copyright framework will be going forward, given that as a member of the European Union we have sat within the EU copyright framework. They will know that the situation is currently being considered to ensure that the right balance is struck between providing the right incentives and having the right protections.

The European Commission is considering reform in this area as part of the digital single market package. Clearly, circumstances have changed in the last fortnight. The UK was a leading voice in the debate on the future of the digital single market, and the Government and individual Ministers have built strong relationships with the Commission and with leading nations such as France and Germany, which obviously also have strong voices in this debate.

It is my personal view that we will continue to have some influence on how things develop, because this is a very public debate and the UK, along with a number of other countries, submitted a letter a few weeks ago to make the point about platform regulation. We argued first that not all platforms are the same, so we cannot simply have one-size-fits-all regulation, and secondly that we must ensure that we do not throw out innovation. I have said consistently to the commissioners that the UK Government welcome a debate on platform regulation. We are not saying that the Commission should not examine the issue; at this stage, we are simply raising some of the concerns that exist.

Pete Wishart: People have suggested that we may be trying to use France and Germany as a proxy for our influence, to achieve our requirements in the digital single market. Is there any truth in that suggestion? If there is, is that not evidence of how we are being further reduced and diminished in our relationship with Europe, such that we expect others to do our bidding on our behalf?

Mr James Gray (in the Chair): I call the Minister to speak with reference to the subject under debate.

Mr Vaizey: I am sorry if I gave that impression; that was not the point I was trying to make at all. The point I was trying to make was that countries such as France and Germany clearly have very strong views on the issue, and their voices are heard. The situation pre-Brexit was that the UK, France and Germany had slightly different positions on some of these issues but were all influential voices, and I was engaging quite closely with both the French Government and the German Government about their attitude, as well as with the Commission.

It is my intention, particularly as we remain a member of the European Union for the foreseeable future, that the British voice—the voice of British artists and the voice of the British music industry—it is heard in future negotiations. At the moment, however, we are at a relatively early stage when it comes to formulating principles and identifying issues.

Kelvin Hopkins: I appreciate what the Minister is saying, but Britain’s interests in this area are far greater than those of the other nations involved. We need to have national legislation that is at least as strong, if not much stronger, than what the EU proposes. Does he have any idea of the sheer volume of our interest in popular music compared with that of France and Germany? I would guess that the popular music industries in those countries are much, much smaller than ours.

Mr Vaizey: I accept that the British music industry is probably bigger than the music industries in France and Germany given the profile of British artists. However, a company such as the French firm Vivendi, which owns Universal, is a pretty big music company. I do not know what impact Brexit will have, but at the moment the projections are that we will overtake Germany in the overall value of our entertainment market. Nevertheless, the German market is currently bigger than the British one, and no one needs any lessons about how seriously the French take their own cultural offer and the work they will do to ensure that it is protected.

What I am really saying to the hon. Member for Perth and North Perthshire is that I see a partnership developing between France, Germany and the UK, in which we look for areas of agreement. However, I hope that at the heart of that partnership there will be an emphasis on protecting remuneration for artists and achieving a fair balance between the innovation that platforms have brought to the distribution of music, for example, and some of the issues that have been thrown up by trade bodies in particular. For example, it has been pointed out that the number of music videos on YouTube has doubled, yet the revenue for artists and labels has flattened.

It is also important to remember that there are different emphases within the music industry itself. Clearly, the BPI does a fantastic job in representing the music industry and talking about issues such as safe harbour and copyright infringement, but of course the Featured Artists Coalition, the artists’ organisation that is so ably led by people such as the brilliant musician Sandie Shaw, has its own proposals that we need to consider properly and seriously, for example about transparency in the value chain.

I want to talk briefly about the relationship between creators, their producers and the publishers, because that relationship is absolutely vital in helping creators bring their product to market. Nevertheless, as we have already heard from some hon. Members, there is a fear that authors and performers are missing out as a result of restrictive, imbalanced or opaque terms and practices. We take such issues seriously. We want to understand how we can make progress and what the impact of certain reforms might be in different sectors and scenarios. We want to ensure that there is a balance; we want creators and performers to receive fair remuneration, but we also want investment in innovation and resources.

Any proposals that would result in restrictions on freedom of contract would need to be subject to rigorous examination. Transparency is an important feature of well-functioning markets, and I know that creators would welcome moves to make it easier for them to understand the value that their works have generated. Again, there is an opportunity for partnership in that
regard. For example, I welcome the BPI’s introduction of a portal that allows an artist to measure the remuneration they are receiving from streaming services.

I have covered a lot of ground, and this has been a great debate, but we should have the opportunity to hear again from my hon. Friend the Member for Selby and Ainsty about what progress he thinks has been made in the past hour and a half.

10.58 am

**Nigel Adams:** I thank the Minister for his remarks, and I also thank all colleagues who have contributed to this debate; it is great to see such cross-party agreement on this important subject.

As hon. Members can imagine, I have been contacted by quite a few people from within the industry about this debate, many of whom are artists. I will wrap up the debate by quoting a couple of people who have been in touch with me. First, I will quote a gentleman called Brian Message, who works in artist management. He says:

“The advent of the digital era introduced an opportunity for those involved in the music business to pull together for the economic benefit of all stakeholders. To our collective detriment, this did not come to pass.”

A songwriter, Rupert Hine, wrote to me to say:

“Put the world’s most ubiquitous search engine together with the world’s most ubiquitous noticeboard and you have created the one place on Planet Earth where you can view all the world’s Art and Culture for absolutely nothing. Great for the ‘Users’—but unsustainable for the ‘Creators’.

Artists are all but giving up. All the digital arts...are given away free via Google’s YouTube. The world is not awash with Adeles and Coldplays or any fleeting product of broadcast talent shows. The world is full of artists trying to express themselves in a...way that moves us and makes us feel differently about the world and our place in it. For them, the meagre breadcrumbs collected from advertising revenue via YouTube is insulting—and more importantly unsustainable.”

*Motion lapsed (Standing Order No. 10(6)).*

**Pension Freedoms**

11 am

**Rachel Reeves (Leeds West) (Lab):** I beg to move, That this House has considered advice and guidance on pension freedoms.

I am grateful for the opportunity to have this debate on the crucial issue of advice and guidance in the world of pension freedoms. In 2014, the Government announced one of the biggest shake-ups of the pensions industry in its history. Those changes will, as the Minister knows, affect millions of people. The reforms undoubtedly give people more choice over what to do with their pension pots—one of the most important decisions on their finances—but with those choices come great risks.

At the heart of the so-called pension freedoms is the idea that people with defined contribution pensions no longer have to buy an annuity. Instead, they have an unprecedented number of choices when it comes to making financial decisions. People are suddenly being asked to make an irreversible decision by weighing up how much to save; how long they will live; how much they need to live on; the risk of investments decreasing in value; how much they will be charged by pension providers; what tax they will have to pay; and what state pension they will receive. Let us not forget, they will have to live with the decision for the rest of their lives.

The Pensions Institute’s “Independent Review of Retirement Income”, which I commissioned from Professor David Blake when I was shadow Secretary of State for Work and Pensions, warned that:

“The unifying thread that runs through funded pension scheme is the requirement to annuitise enough pension wealth, at the appropriate age, to provide an adequate lifelong income in retirement when combined with the state pension – which is the rationale for establishing a private-sector pension scheme in the first place. It is this requirement which makes a funded pension scheme different from any other type of savings scheme.

When annuitisation becomes optional, that unifying thread is no longer present and there is a real danger that the pension system begins to unravel. At best, it just becomes a tax-favoured arrangement for operating a multi-purpose spending pot and once the money has been spent for one purpose, it cannot be spent on another. At worst, it becomes a honey pot for thieves and other opportunists: while you cannot steal someone’s pension, you can steal their pension pot, as a number of people are now discovering. Lying between these extremes are millions of people who are now in control of their pension fund and who will be trying to do the best for themselves and their families...many of these people could well find themselves in the same kind of control as a yachtsman in the middle of the Atlantic in a force nine gale.”

When the pension freedoms were announced, we in the Labour party were clear that we would in principle support reform. We recognised that annuities did not work for everyone, but that reforms must be accompanied by the provision of guidance to help people to make important and difficult decisions about how to use their money. In response, the Chancellor committed to a new guarantee enforced by law that everyone retiring with defined contribution pensions would be offered free, impartial, face-to-face advice on how to get the most out of their choices. That commitment was woven to some extent—although it was guidance, not advice—in the form of Pension Wise, a single guidance service launched to coincide with the introduction of the pension freedoms in April last year.
The Pension Wise service offers face-to-face or phone appointments to those aged 50 or over with a DC pension. In each appointment, impartial guidance is given on pension options and tax and there is a discussion of the options that may be most suitable for the client. The ratings from those who have used the Pension Wise website are positive. The Gov.uk performance site shows user satisfaction at 89%. I pay tribute to all those who work at Pension Wise for providing an excellent service.

However, the problem, and the reason for the debate today, is not the effectiveness of Pension Wise; it is how few people are using the service. The Financial Conduct Authority estimates that fewer than one in five consumers are using it. In response to a recent parliamentary question I tabled, the Government revealed that there have been 61,000 completed appointments since launch. That represents only around 12% of DC pension customers who have accessed their pensions since the reform came in. That is deeply troubling, and I am interested in what the Minister has to say about improving the use and take-up of the service. Put another way, almost nine out of 10 people are not seeking advice or guidance from Pension Wise when cashing in their pensions. That figure is worrying and suggests that millions of people are not getting the impartial guidance they need. If that is the case, as it seems to be, we should be alarmed about the quality of financial planning guidance that some people are getting and the potential impact that could have on their standard of living in retirement.

The Government published their “Financial Advice Market Review” in March and their plans for a new comprehensive pensions guidance service. They have a shared objective of ensuring that all consumers can access the help they need to make effective financial decisions. As the review says:

“Both industry and consumer groups also felt that many people, even those who did not necessarily want or need regulated advice, would benefit from more support and guidance in financial decision-making.”

In addition to those efforts to bolster the pensions guidance offering, welcome regulatory scrutiny will also be applied to the evolving retirement market, with the FCA identifying pensions as a priority area in its 2016-17 business plan. Although those are welcome developments, the results will arrive too late to benefit the 1.5 million who have accessed their pensions since the reform came in. That represents only around 12% of DC pension customers. The Pension Wise service offers face-to-face or phone appointments to those aged 50 or over with a DC pension. In each appointment, impartial guidance is given on pension options and tax and there is a discussion of the options that may be most suitable for the client. The ratings from those who have used the Pension Wise website are positive. The Gov.uk performance site shows user satisfaction at 89%. I pay tribute to all those who work at Pension Wise for providing an excellent service.

Critically, evidence suggests that poor outcomes are likely for consumers who do not seek professional support with their retirement options. UK and overseas analysis shows that factors such as disengagement, underestimation of how long people will live and weak financial capability lead to poor outcomes. Although it is too early to say what the new pension freedoms will mean for outcomes, the FCA estimated the losses from failing to shop around when people were required to buy an annuity:

“The majority of consumers (60%) do not switch providers when they buy an annuity, despite the fact that we estimate 80% of these consumers could get a better deal on the open market, many significantly so. We estimate that the aggregate benefits that consumers miss out on by not shopping around and switching is the equivalent of between £115m and £230m of additional pension savings.”

The OECD has suggested that, although the pension reforms might increase pensioners’ control of their money, which I welcome, they could be “detrimental to both retirement income adequacy and incentives to work” because of “myopic behaviour and insufficient financial literacy”.

What is more, research from the International Longevity Centre-UK suggests that there is limited knowledge about relevant financial products and services. Only half of those with a DC pension said they understood what an annuity is “quite” or “very well”. Just one third of those said they understood what a joint life annuity is actually or very well. Most shocking of all, just 3% said they understood what income drawdown is quite or very well. These are people in DC schemes who have to make big decisions, yet they do not seem to have the knowledge about the products they have to choose between.

Research by the Pensions and Lifetime Savings Association found that 53% of people incorrectly believe drawdown products offer a guaranteed income. The majority of people believe that a drawdown product is a guaranteed income, which it most definitely is not, while one quarter believe that drawdown carries no investment risk at all, which is incredibly worrying.

Meanwhile, the Pensions Institute’s “Independent Review of Retirement Income” states:

“It is important to be aware of the risks involved in the generation of retirement income from pension savings”—such as investment risk, inflation risk and longevity risk. It continues:

“Following ‘freedom and choice’, these risks are now borne directly by DC scheme members” in a way that they were not when everyone had to annuitise. It continues:

“Even with improved financial education, it is unlikely that many people will fully understand some of these risks. This is because some risks have to be experienced before they can be genuinely understood, and often it is too late by that stage to do anything about them. In addition, many people will have problems understanding the full range of product choices that are now available. All this makes it difficult for many people to be in a position to make ‘informed’ choices.”

Demand-side weaknesses and lack of knowledge from people making decisions are compounded by the repeated failure of parts of the pensions industry to, in my view, treat customers fairly. Mis-selling in the UK retirement market has been catalogued at length by the FCA and its predecessor, the Financial Services Authority. Poor buying decisions have also been identified by some organisations and consumer groups to the National Audit Office, which in its report on mis-selling described the concerns as being centred on regulatory approaches that are “based too much on monitoring and implementing detailed disclosure requirements, rather than assessing whether consumers truly understand what they are buying.”

If disengagement and low take-up of guidance remain the norm, it reduces competition and undermines confidence in the new pensions market. Again, I stress that this is a real concern when we have consumers without the information to make the best decisions, and a pensions industry that is not necessarily helping people to make the decisions that are best for them.
Pension Wise has run three national marketing campaigns across TV, radio, print and digital media, but take-up, as I said earlier, remains low at just over 10%. Such problems must be addressed. That is why I call on the Government to issue new guidance to make sure consumers seek proper guidance before drawing on their pension pots. At the moment, the so-called wake-up packs sent to DC pension customers ahead of retirement are often more successful in driving consumers to the providers’ own product solutions than directing people to the Pension Wise guidance service, something that Baroness Altman has pointed out:

“I have seen the retirement packs from some of the better pension providers who are hiding away Pension Wise. They are doing this while promoting their own internal help lines.”

The whole point of Pension Wise is to be readily available to the people who are making the decisions, but they are not directed there by their pension providers and will probably never find out about it. So what is needed is a new approach whereby customers who decide to cash in their pensions must either seek guidance from Pension Wise or actively opt out of doing so before progressing. That would not only improve outcomes for customers, but dramatically reduce the opportunities for mis-selling, cut the risk of savers falling foul of financial scams and other potential abuses, and help people to make the right decisions at such an important time in their lives. It would enable guided to alert consumers to the existence of fraudsters who use techniques such as cold calls and text messages to con people into placing their savings into wholly inappropriate investments. The Government must take a number of additional actions to support that.

The Government must work with industry to introduce a system to allow pension providers to book guidance appointments directly for their customers, or to put them through, if they can make contact by phone, to the appointment booking service without a break in service. Such handovers should be based on ensuring that the customer journey is as smooth and continuous as possible and that as many people as possible get the right guidance. The Government should consider allowing providers to share certain data with each other, so that when a customer is passed from one service to another, the second engagement does not need to start from scratch, with the customer forced to repeat all the information that they had previously provided.

Looking further forward, the new pensions guidance body should also link with the pensions dashboard being developed by 2019. The dashboard will enable people to see all their pension savings in one place—that is welcome—help people to engage with retirement planning and prompt them to take action. It is critical, therefore, that there is co-ordination with the new guidance body, so that consumers are signposted and directed to access guidance when looking at their dashboard. Links to the guidance service should be embedded within the pensions dashboard from the start, and the Government should consider how to improve engagement as the dashboard is introduced. That will also encourage consumers to seek pensions guidance at an earlier stage in their working lives would also give people more time to make changes to their savings strategies if needed. As with other measures to improve the customer journey, solutions should be tested with consumers to ensure that they are effective and meet their needs. Although I believe all this is critical, we must not take our eye off the bigger picture. The Blake review makes excellent recommendations for the direction of pension reform, and that should be the focus of future Government policy making.

In conclusion, failure to address low guidance take-up is likely to lead to negative outcomes for those most at risk of making poor choices, reducing pensioner wellbeing, undermining competition in the retirement market, and having a toxic impact on confidence in the pension system just when good progress is being made through the roll-out of automatic enrolment. The guidance structure is already in place in the form of Pension Wise, which has received positive feedback, as I set out earlier, from those who have used it; it has the scale and budget to deliver guidance to the full range of consumers who need it. But without action from the Government, take-up looks set to remain low. That is why I am calling on the Government to introduce the default guidance approach. Crucially, that would in no way undermine or inhibit the central purpose of the pension freedoms. Consumers would retain complete freedom to draw down as much or as little of their pension pot as they wish at any time they want.

That change would provide a vital safeguard for millions of people when they plan for their retirement. It would give them the security of knowing they have had the benefit of impartial guidance before making a decision that could have a huge impact on how comfortable they will be in retirement. It would have a dramatic impact in helping people to use their pension pots, which they have saved for, wisely. I urge the Government to take that on board to help to ensure that as many people as possible can enjoy a secure income in their retirement.

11.16 am

The Parliamentary Under-Secretary of State for Work and Pensions (Mr Shabtai Vara): It is a pleasure to serve under your chairmanship this morning, Mr Gray. I thank the hon. Member for Leeds West (Rachel Reeves) for setting out her case. She speaks with considerable experience, given that she was the shadow Work and Pensions Secretary. I am glad to see the right hon. Member for East Ham (Stephen Timms) also joining us for this debate.

Pension freedoms, which have been widely welcomed, have raised interest and engagement in pensions significantly. The freedoms give people the opportunity to take responsibility for their own retirement. In the first nine months we saw nearly 540,000 pensions being accessed. People are clearly taking control, but, as the hon. Member for Leeds West said, they need to do so after receiving the appropriate information at the right time so that they can make decisions that suit their circumstances.

The Government recognised that in order for people to make the most of the new freedoms they needed to equip them with the tools to make decisions that suit their circumstances, so Pension Wise was launched. This service provides free and impartial guidance to
those aged 50 and over to help them to understand what they can do with their defined-contribution pensions following the reforms. I am happy to say that it has been very successful. I hope to give some information to the hon. Lady during the course of this debate that will give her some comfort.

Stephen Timms (East Ham) (Lab): I agree that Pension Wise is providing a good service, but does the Minister acknowledge that, as my hon. Friend the Member for Leeds West (Rachel Reeves) pointed out, take-up of the service has been very low? In my area there is certainly evidence of skilled advisers sitting around twiddling their thumbs quite a lot of the time because the demand has not yet come through.

Mr Vara: The right hon. Gentleman makes a good point. I accept that we have more to do. I hope my comments will give him and the hon. Lady some assurance that we are doing things and we recognise there is more to be done. The hon. Lady referred to the number of appointments—73,000 so far—but 2.7 million visits have been made to the Pension Wise website. It is important to look at the two together, rather than just the appointments, because the information provided in the appointments is all available on the website. Many people are accessing the website and finding that they do not need an appointment. That needs to be borne in mind.

I appreciate that, as the right hon. Gentleman said, there is concern about take-up. It is important to remember that the service is not compulsory for everyone who wants to access their pension pot. Using Pension Wise is a voluntary option and people should be given the choice to plan for their retirement in the manner they see fit. Moreover—I emphasise this point—it is important that people know the service is there to support them if they wish to use it.

Pension Wise has already run three national marketing campaigns across TV, radio, print and digital media. Those campaigns complement the current requirement for all pension scheme providers to signpost to Pension Wise whenever a wake-up pack is sent out to a member.

Stephen Timms: I am grateful to the Minister for giving way again. As he said, Pension Wise is a voluntary service. Has he noticed the point made by the Association of British Insurers that guidance for people transacting in the secondary annuity market, where the pitfalls are particularly troubling, should be mandatory?

Mr Vara: The right hon. Gentleman raises another good point. This is something we are looking at, although he will forgive me for not making any instant decisions. The secondary market is a broad market, with a huge amount of rules and regulations. We started with the initial concept of providing access to pension pots. That is now leading to other issues that rightly need to be addressed.

We have had three national awareness campaigns and we are working on a fourth. This is not an area where we feel we have done enough. There is more to do and we recognise that. The subject of pensions is complex and the Government recognise that there is more to be done.

Last year we consulted on how the provision of free, impartial financial guidance could be structured to make it more effective. The review confirmed that the current guidance offer can be confusing to the public. There is also an overlap in some services. That is why we have consulted on our plans to restructure the delivery of public financial guidance to make it more effective, by directing more funding to the frontline and providing more targeted support.

The latest consultation outlined our proposal for a new guidance model, which involves setting up a new pensions guidance body where individuals can get all their queries and advice on pensions answered in one place. There will also be a new, slimmed down money guidance body, to ensure people can access the debt advice and guidance they need. The two bodies will work together to ensure that people who need both pensions and wider financial guidance are directed to the right place. The consultation ended last month and we are currently considering all the responses with a view to publishing our response this autumn.

Most people who seek information on pensions do not distinguish between guidance and advice; they simply want help. Regulated advice will be appropriate for some people, so there is still a need to make sure that affordable and accessible financial advice is available for those who want it. That is why the Government intend to consult, over summer 2016, on introducing the pensions advice allowance, whereby individuals will be able to withdraw up to £500 tax-free from their defined-contribution pension pot to redeem against the cost of financial advice before the age of 55.

Employees often look to their employers for help when it comes to pensions. To further encourage employer involvement, the Government will increase the current £150 tax and national insurance contributions relief to £500 for those employers who arrange pension advice for their employees. It is our view that the proposal and the pensions advice allowance could be complementary, so it would be possible for those who are able to use both to access up to £1,000 of tax-advantaged advice. Such initiatives can give people an understanding of their options, but no one knows their customers better than the pension providers themselves, and I know that organisations within the industry are starting to look at new and innovative ways of engaging with their customers. I hope we can work with the industry so that information and guidance is provided in a way that meets the individual’s needs.

The hon. Member for Leeds West spoke eloquently of the need to increase the take-up of Pension Wise. As well as the fourth awareness campaign that we are working on, Pension Wise delivery partners also promote the service locally in businesses and libraries, for example. A concern was also raised about getting proper advice. Pension Wise offers guidance on how to spot a scam, how people can protect themselves and what to do if they think they have been scammed, on its website and in appointments. If someone suspects they have been scammed, the service will signpost them to the Pensions Advisory Service and Action Fraud. In addition, Pension Wise is a member of Project Bloom and works with other members to raise awareness of scams.
The right hon. Member for East Ham spoke about the secondary market. I can tell him that Pension Wise guidance will be available to those selling their annuity, once the market launches in April 2017.

Stephen Timms: I thank the Minister for that answer. May I raise one other issue with him? The ABI says that it “would like to see the new guidance arrangements enhanced so that providers who want to block transfers to protect their customers (because of concern about the receiving scheme) can refer their customers to the new body to receive impartial guidance on the risks from transferring funds to potential scams and fraudulent investments.”

Is that proposal from the ABI also something that he is reflecting on?

Mr Vara: Let me assure the right hon. Gentleman that we are keen to make sure that this works. We are not in any way restricting the stakeholders with whom we speak. We are working with all of them, including the ABI and a whole host of other organisations and people, to make sure that whatever guidance and regulations we put in place are right. We want to get it right as best as possible first time round. I assure him that we are very much taking on board the views of others out there.

To conclude, the hon. Lady was right to raise this important issue. I thank and commend her for doing so.

Question put and agreed to.

11.26 am

Sitting suspended.

Broadband in Wales

[Steve McCabe in the Chair]

2.30 pm

Mr Mark Williams (Ceredigion) (LD): I beg to move,

That this House has considered broadband in Wales.

It is good to see the Minister here fresh from Colchester. He has had a busy day; he was in this Chamber first thing this morning. It is also good to see the shadow Minister, the hon. Member for Newcastle upon Tyne Central (Chi Onwurah), in her place. We were looking forward to a contribution from the hon. Member for Newport West (Paul Flynn) in his elevated role as shadow Secretary of State, but it is genuinely good to see the hon. Lady here in his stead.

I am grateful for the opportunity to raise this matter in the House. Today is a very important day in this House, not least given the events in the main Chamber. It is also a very important day for Wales, with the football this evening. We have the best of Wales—and, I am sure, of Scotland—in this Chamber to debate this important issue.

As many hon. Members know, the issue of broadband and internet connectivity is a recurring problem. Not a week goes by without concerned constituents contacting us. It is not unique to my constituency. Despite genuine improvements—some would say vast improvements—and the Government’s genuine attempts to meet their targets, there is a feeling that we are falling behind in many rural communities and in Wales more widely.

I welcome the Government’s intention to introduce a broadband universal service obligation and their ambition to give people the legal right to a 10 megabits per second connection, no matter where they live, by the end of this Parliament. The Prime Minister said: “Access to the Internet shouldn’t be a luxury; it should be a right—absolutely fundamental to life in 21st century Britain.”

I could not agree more, and I am glad that that was put into the tentative stages of legislation with the introduction of the Digital Economy Bill yesterday. I look forward to that principle being put into law, but targets have come and gone before, and the proof of the pudding will be in the proverbial eating.

I also welcome the Government’s recent target to connect 97% of premises by the end of 2019. The many communities that are currently underserved with bad or non-existent broadband connections are enthusiastically waiting to hear whether that target will be met, and whether they will benefit or will be among the 3% left out. My constituents are certainly hoping for good news. I will hear of the challenge in the contents of my inbox—or, more precisely, given the subject matter, in the representations I get from constituents who use more old-fashioned means of communicating their disquiet.

There is a feeling—I think this will be endorsed by other hon. Members—that the peripheral parts of the United Kingdom are often left out and forgotten. The principles of entitlement do not always seem to extend to all parts of the United Kingdom. That is the basis of many of our concerns. None the less, it is welcome that successive Governments have talked about the importance of connectivity and have recognised that it cannot simply
be left to the market to decide where we have access. Although in urban areas it is possible to rely on commercial businesses to fill the demand for high-speed broadband, the internet has become a necessity for everyone, including individuals trying to fill out Government forms online and business people such as farmers trying to do their taxes and apply for funding, some of which is an existential need. I have previously cited the example of the farmer in southern Ceredigion who had no broadband at all. He was forced to send a paper tax return to Her Majesty’s Revenue and Customs, and got fined for doing so. We managed to get the fine back for him, but he was told that next year he should pop down to the local library to submit his return online. There are not many libraries left in rural Ceredigion, and those that there are do not have sufficiently safe, secure or reliable broadband connections. That is the reality for many of our constituents.

We need only look at the comments made by figures in the technology industry and note our own experiences as constituency MPs to see how hugely the internet has changed our lives and how far we have to go to ensure that everyone has adequate access. The chief executive of Cisco, Phil Smith, said of Wales:

“I’m very surprised that broadband hasn’t got to the level of penetration it should. To be honest, it’s like saying you don’t have a road now, or you don’t have water. Companies, countries and individuals can’t survive without broadband; it’s not some optional nice thing to have; this is the way business is done.”

In Wales, where our physical infrastructure is challenging, broadband is even more necessary. Its importance cannot be overstated. That view is shared by organisations as diverse as the Countryside Alliance, the Federation of Small Businesses, Ofcom, the National Union of Farmers and the Farmers’ Union of Wales.

There have been improvements and substantial investment to improve the number of individuals and businesses able to access fast broadband speeds. Millions have been spent on improving the low figure of 55% superfast broadband coverage in Wales in 2014. Although we have failed to meet the aim of 96% coverage, I welcome the increase to 87%. The availability of superfast in rural areas of Wales increased to 50% last year thanks to the Superfast Cymru programme; yet, as a Member with a rural seat, I cannot help but be concerned that rural areas are still losing out most. Improvements are a good thing, but many of the 11% of premises in Wales that cannot receive the proposed USO broadband speed of 10 megabits per second are in my area. How can we improve the situation to ensure that those areas are not left behind? Surely areas that not only have some of the lowest speeds but contain some of the highest percentages of those without a connection altogether need to be prioritised.

The FUW noted recently, after its Meirionnydd branch visited a farm in Machynlleth—for those who are not geographers, Machynlleth is a town settled between the three historic counties of Montgomeryshire, Ceredigion and Meirionnydd—that the highest proportion of those with no broadband access are farm businesses. For farmers who have attempted to diversify their businesses by letting self-catering cottages and converting buildings into offices for use by others, connectivity is critical, yet many are at a significant disadvantage. Those who have children at home—increasingly, more online homework is required—are struggling. As I said earlier, almost all of them have to keep up with changing agricultural rules and apply for services online. It can be costly, if not impossible. More and more services are going online, so digital inclusion is vital.

According to Ofcom, in June 2015, more than 67% of my constituents had slow internet connections of less than 10 megabits per second, and almost 20% had connections of less than 2 megabits per second. That situation was replicated in other rural constituencies throughout Wales. Carmarthen East and Dinefwr—it is good to see the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) here—Montgomeryshire, and Carmarthen West and South Pembrokeshire join Ceredigion in the top 10 constituencies with the slowest broadband connections anywhere in the United Kingdom.

The issue of inadequate broadband connections affects not simply an isolated house here or there—the stereotypical cottage in a valley with roses around the front door. Whole communities lack adequate, or even usable, internet connections. For years, these issues have been plaguing Llangrannog in my constituency, which is a significant tourist community; the sizeable community of Llanfair Clydogau near Lampeter; and Synod Inn, down our main road between Aberystwyth and Cardigan—the most significant road in our constituency. There has been little progress. In Llanfair Clydogau, I am specifically dealing with broadband casework on behalf of not just individuals who write with concerns, but an entire community.

At this point, I want to place on record my appreciation for BT’s parliamentary unit, who I think were in the Members’ Dining Room earlier today, I was not there, but Clova Fyfe and her team in particular have been assiduous in responding to the individual concerns of Members of Parliament, and I genuinely thank the unit for that.

Chris Davies (Brecon and Radnorshire) (Con): Will the hon. Gentleman give way?

Mr Williams: That is very timely. The hon. Gentleman has just walked in, but I will give way.

Chris Davies: I thank the hon. Gentleman for bringing forward this debate on a topic that I have spoken about on many occasions in this place. I was at the BT meeting, as was my colleague the hon. Member for Ynys Môn (Albert Owen). The people from BT were very helpful, as always, but they leave many questions unanswered.

Mr Williams: There we are. Perhaps the hon. Gentleman will shed some light on some of those unanswered questions a little later. I thank him for that intervention.

Communication with individual constituents is sometimes less satisfactory. Too many of my constituents have had template responses from BT and Openreach saying that they have absolutely no plans for the foreseeable future to improve the state of the broadband connection. That seems to be the case for large parts of the county. Even in some of our larger communities, such as Lampeter, which is an important university town, connections are at best poor. For many of the small businesses that I have visited there, the No. 1 request is for something to
be done to improve broadband speeds and provision. Options for businesses, although an improvement over those for some of my rural communities, are sometimes limited.

For struggling small businesses, the quality of the broadband connection can often be the difference between keeping afloat and going under. That seems like a dramatic statement, but our reliance on broadband and communication, and—this is where that rural point comes in again—the fragility of the rural economy and some of our rural businesses mean that it is very important that they get their marketing right and, for some, their internet booking systems right. I have in mind specifically some of our tourism businesses. For many growing businesses, the inability to invest in a fast and more reliable connection that is not extortionately priced can be a stumbling block. I am sure that the Minister will agree that the opportunities for our economy of getting broadband right are immeasurable. For the rural economy, that would mean a great deal more potential being realised.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): I hesitate to cut the hon. Gentleman off mid-flow; he is making a passionate and informative speech, as usual. He is totally right to note that broadband provision is an opportunity for economic salvation for rural areas, where our greatest assets are the beautiful landscapes and the social and leisure facilities that are available to people. In a world where leisure time is being compressed, adequate broadband infrastructure creates a huge economic opportunity. People who love horse riding, mountain climbing, mountain biking, rambling, surfing, coasteering and other such great activities are far better off living in areas like the constituencies that we represent than in the centre of London.

Mr Williams: I must say that I have not been on a horse for some time, I do not think I have ever been on a surfboard and I have a mountain bike that has remained in my porch for some time, but I take the hon. Gentleman's point. He is right: there is huge potential in the area of outdoor pursuits and tourism. We have to face the reality that connectivity, whether we get it through broadband or our mobile phones, is now an integral part of all that. We cannot separate the two.

It has also been brought to my attention that many commercial internet providers and individuals have concerns about the role that Openreach has played in providing the infrastructure and in some of the specifics of the national broadband scheme, such as how funding is spent. Some of us here have been concerned for some years about the conflict of interest in a commercial provider such as BT holding a near monopoly of the country's physical broadband infrastructure. I certainly welcome Ofcom's proposals, which it set out in its initial conclusions from its strategic review of digital communications, to open BT's ducts and telegraph poles to its rivals and for Openreach to be reformed to ensure a better service for customers and businesses. That should help to improve competition and the development of new technologies—something that those of us in rural areas, and indeed urban areas, would very much welcome. That is positive news, but issues still need to be addressed and many are concerned that BT has a limited incentive to invest in a fibre network and ensure improved speeds for people in Wales, due to the huge revenue that it continues to make from the legacy copper Openreach network.

However, although there is little hope that broadband connections will be provided by commercial deployment in my constituency—the Minister made the point at a briefing that I attended two or three months ago that absolutely no premises in Ceredigion could be viewed as economic and covered in that way—there is rightly concern that some areas are being needlessly subsidised at the expense of those that really need subsidy. It will come as no surprise that my assertion is that my constituency, other parts of Wales and other rural areas are the communities that need that.

According to Virgin Media, the 90% rule that underpins the national broadband scheme defines an area as eligible for state funding where 90% or fewer households currently have access to superfast broadband. Virgin Media believes that that threshold is set too high. As an MP for a rural area in which that threshold is nowhere near reached, I think that that is probably correct. I believe strongly that where there is a genuine market failure, the Government need to intervene to help to ensure that everyone has access to something that I would argue is a necessity. What research have the Government done to ensure that areas where up to 90% of households receive superfast broadband are indeed unable to achieve the final 10% or more via commercial deployment rather than Government subsidy? I ask that because I recognise, as I think we all do, that the pot for ensuring adequate broadband for all is not unlimited and it is vital that it is used as effectively as possible. If there are areas with high levels of superfast broadband that can fill the gap through commercial deployment, so that the subsidy can instead be used for rural areas where provision cannot come in any other way, it is important that that happens.

I welcome the fact that much of the money from the UK Government is given to Cardiff Bay to spend as they feel necessary. I welcome a number of their schemes, which are focused on helping some of the hardest-to-reach areas. Access Broadband Cymru provides grants of between £400 and £800 to fund the installation of new fibre broadband connections for those who would not be covered by commercial roll-out or who have connections of less than 2 megabits per second and also funds satellite technology as an alternative in some areas. Although I am by no means uncritical of the Welsh Government for missing targets and failing to ensure that rural areas are prioritised, I would also say, as an MP representing a Welsh constituency, that the existence of this Assembly scheme has not always been very clear. If that is not clear to me as a Member of Parliament, it is certainly not clear to many of my constituents. The first time that I heard of that scheme was at the Minister's briefing in Portcullis House a few months ago. That speaks volumes about communication. He talked at that meeting about the millions of pounds that have been made available to the Assembly Government. It was alarming that many of us had not heard of that scheme.

Chris Davies: That matter was brought up with BT today. The fact that there are so many schemes available really is one of Wales's best-kept secrets. Perhaps the British Government could play a part in pushing the
Welsh Government and working closely with them to ensure that where there are gaps, the public and our constituents know that those schemes are available. They are there to help people and they can improve broadband accessibility if people are told about them.

Mr Williams: I am grateful to the hon. Gentleman for raising that. That is very true: hot off his meeting with BT, he brings useful information to the Chamber. I suggest that the point about collaboration between the Department for Culture, Media and Sport and the Assembly Government in Wales is important—all the more so as we proceed with the Digital Economy Bill. I have not yet looked in great detail at the Bill, which was introduced yesterday, but I wanted to ask the Minister about the relationship in meeting targets between setting them in London and delivery on the ground in Cardiff, which is really important.

I will conclude now. Thank you, Mr McCabe, for the opportunity to raise this important issue. I will not lambast DCMS for inaction because that is simply not the case. Significant progress has been made and the Government’s intention—[Interruption.] I detect that the hon. Member for Ynys Môn (Albert Owen) may usefully put on his boxing gloves in a moment or two. Where I will voice my deep concern, as befits the Member of Parliament for Ceredigion, is about the fact that many of my constituents are not realising the entitlements they are promised.

The National Farmers Union has spoken clearly—it also produced an excellent report, “NFU Spotlight on Farm Broadband & Mobile Networks”, which I commend—and campaigned energetically for the rights not just of its farmers, but of the broader community. Those considerations need to be taken on board. Many constituents in rural areas across the country are feeling let down and they expect a response from the Assembly Government and from the UK Government as well.

The Minister may be able to help us with this final, slightly more topical, point: the funding we have received from the European Union. Following the referendum decision to leave the European Union, I hope the Minister can tell us what impact it will have on Government schemes to provide broadband to rural parts of Wales. Since £90 million of the funding for the Superfast Cymru contract came from the European regional development fund, there is concern that areas such as mine in Wales will suffer unless funding is found from elsewhere. Has he considered that? Has he looked into that? Will he confirm that Wales will not lose out? Because the need is very much there.

I will not give the Minister a hard time, because he has moved towards many things that, when we used to argue about them, he said could never happen. I will not give a spin on that this time; instead, I will start by giving the Welsh dimension, which is what we are talking about. We had a timely meeting with BT today at which we were updated on many of its schemes. I will come on to how that links into the universal service obligation, because it is important that the gaps are plugged properly and that there is a co-ordinated plan. Although the Bill was published only yesterday, I will ask the Minister some questions about how the roll-out will be carried out.

In my north-west Wales constituency, 73% of properties have been connected through a scheme that, as the hon. Member for Ceredigion said, was funded by the Welsh Government, the United Kingdom Government and the European Union. As someone who believed, and still believes, in that partnership and has argued that the interests of Wales will be best served as part of both the United Kingdom and the European Union—[Interruption.] I see the Scottish National party representative nodding his head.

Calum Kerr (Berwickshire, Roxburgh and Selkirk) (SNP): Only about the second bit.

Albert Owen: I think I had a false sense of security there. But seriously, that money was targeted and redistributed by the European Union to the areas of greatest need, and we in Wales, particularly rural Wales, were some of the main beneficiaries of that money. It was identified at Brussels level that that funding was needed in certain areas that met the criteria set out, and it helped the scheme to be rolled out as effectively in Wales as anywhere in the United Kingdom. That is down to the partnership between, and moneys from, different levels of government.

Some 73% of properties in Wales have been covered by the roll-out of a 30 megabits per second superfast broadband initiative, and 76% of Anglesey has been covered by the scheme. The average speeds are in excess of those in some other parts of Wales, so there is a good news story there. However, as with all good news stories, there are people who are not benefiting. The date for 95% roll-out has slipped from July 2016 to 2017. To be fair, there have been negotiations under the contract between the Government and BT Openreach, leading to the Access Broadband Cymru scheme providing grants of up to £800, which have helped individuals get fibre to their hard-to-reach homes directly. That is good news, but we need to see that happening more quickly.

As the hon. Member for Ceredigion said, many of the areas in the last 5% are rural areas that rely on tourism. They are beautiful areas, and people want to locate there. I will give an example—I am sure the Minister will be interested in this. I travelled on a train a couple of years ago, and a businessman who lived in Rhoscolyn on Anglesey told me that he worked in three places: in Canary Wharf; here in London; in Hawaii; and in Rhoscolyn. If he had a choice and the broadband speed was there, he would stay in Rhoscolyn to do his work. Unfortunately, he has to go to Hawaii and suffer out there or come here to London to work. There is a serious point there: in many cases people want to locate...
their business in the area in which they live, which helps the local economy. We need to have a level playing field when it comes to digital technology.

Chris Davies: It is interesting to hear that the hon. Gentleman is a great fan of the link between the Welsh Government, the British Government and the European Union, because the two of us were at the meeting earlier with BT at which it clearly stated that rural Wales is behind in dishing out and receiving broadband. It was told by Europe that there needed to be a lot of chimney pots to allow it to tick the boxes and “draw the money down” from Europe— that was its phrase. It is because of our connection with Europe that rural Wales is behind. I hope the Minister will now ensure that we go forward quickly and catch up from the mistakes made in the last few years.

Albert Owen: The hon. Gentleman and I were on different sides of the debate—I was a strong remainder and he was not—and I think he has misunderstood what BT said. It said that the Welsh Government wanted greater coverage in the contract, and that was the reason for the slow-up. Coverage was needed, so BT needed to get to as many properties as possible in urban areas. That was why the rural areas were left behind. Even with his anti-European ways, he is stretching it a little bit to blame the EU on this occasion. I am quite happy to lay blame, and on this occasion it lay with the contract between BT and the Welsh Government.

BT would have liked to roll the scheme out across the whole country. It advertised it by telling many people in rural areas of Wales that broadband would be rolled out to them by 2015 and 2016, but for a commercial reason that has not happened. They have been left at the back of the queue, and I do not think that is fair, because rural areas are already suffering in many ways. I keep saying, because it is true, that the areas where there are poor broadband services and speeds are those where there is poor mobile signal as well. In London, if someone cannot get broadband or is without it for a few days or weeks, they can rely on 4G. In many rural areas in Wales that is not possible. We want to get BT linked up with EE, and I know the Minister has been involved in that. There is the possibility of homes getting a TV, landline and mobile phone package, and such packages will improve in the future.

The issue I most want to raise with the Minister is the new Digital Economy Bill. I very much welcome it, as I do with the Bill and the enhanced electronic communications code, sorted and that we get the outdated telecommunications stuff up to date, which will be in the regulations of the Bill and the enhanced electronic communications code, so that we have seamless roll-out of a universal service obligation. I am sure the technology is there, and it may be that the minimum is 10 megabits per second and we will have extra capacity on stream very soon.

Albert Owen: I am not going to take credit for it, otherwise I would be as guilty as the Minister of saying that I influence things on my own. It was the idea of the shadow Minister, my hon. Friend the Member for Newcastle upon Tyne Central (Chi Onwurah), and it was in our 2015 manifesto, that we would have a universal service obligation. The Government said it was a silly idea and that they would concentrate on getting even faster service in some areas and then other areas could catch up later, but I am pleased to say that we are now at the same place. It is very good that we are, but I want to ask some questions about that.

The Minister made a speech and quite rightly stuck to his words that we would have a Bill in June or July. He is as good as his word. A draft Bill has come out, and we have had a consultation. It talks about 10 megabits per second, which he rubbished earlier as being too slow. That was what the consultation said, but he was not encouraging that; he wanted twice, three times or four times that. How is that going to be delivered in Wales? What kind of roll-out programme does he envisage? It is true we have not had the Bill yet and have not debated it at different levels, but I would like to know.

For 95% of Wales, the Welsh Government are rolling coverage out in a contractual arrangement with BT, which seems to be working, albeit not as fast as we want it to. It is patchy in England, with different levels of roll-out and take-up in different counties. Is the Minister clear in his mind that there will be the same delivery plan as for the local authorities in England, or will the Welsh Government roll it out? It would be interesting to know that, because my constituents in areas that are now far behind feel that they could catch up.

I again offer the Minister my island constituency to be a pilot for the scheme. We could plug the 5% gap and then roll out that ideal Anglesey model to the rest of the United Kingdom. Hard-to-reach areas, semi-rural, rural and urban areas could be connected up. We could be the pioneers, as we were with comprehensive education, which the Minister will be aware of. The isle of Anglesey was the first county in the whole United Kingdom to have comprehensive education, and I would like to see it as the pioneer of the digital economy with a universal service obligation across the island.

I make that serious point because I want to work with the Government and the Minister to ensure the Bill goes through smoothly, that we get the planning issues sorted and that we get the outdated telecoms stuff up to date, which will be in the regulations of the Bill and the enhanced electronic communications code, so that we have seamless roll-out of a universal service obligation. I am sure the technology is there, and it may be that the minimum is 10 megabits per second and we will have extra capacity on stream very soon.

In pilot schemes in other areas of the United Kingdom, speeds of thousands of megabits are being talked about. We do not want to be that far behind and playing catch-up for the future. I hope the Minister will say how he intends to roll the scheme out and how it is going to benefit those areas that are behind. Is he still going to say that he will make a contribution, or will it come from local authorities? We are unclear how that is going to work. Hopefully we will be able to get some European money...
during the Brexit negotiation period for areas that currently benefit from it. My constituents and industries in rural Wales want those certainties.

There are areas in my constituency that are without bus services, are seeing post office and bank closures and now have slow, almost non-existent broadband. That is not right in the United Kingdom. I am sure the Minister is a one nation Conservative and will want to see all parts of the United Kingdom benefit from this technology. I want that, and I know that colleagues who are here want to see rural areas become first-class areas. That is why I support what the hon. Member for Ceredigion says.

I know the Minister wants to achieve that and wants the notoriety of rolling it out. He has longevity in his job already; I am sure he is going to be the longest-serving Digital Economy Minister of all time. In doing that he will be doing a good service not just to his Government but to the country and the area I represent. We need assurances from the Government that they will work with the Welsh Government, BT Openreach and other providers to ensure we get 21st-century digital communications in rural areas of Wales, which deserve it. I hope the Minister is listening and that when he gets to his feet and congratulates the Wales football team he will be able to give us some answers as well.

3.6 pm

Nia Griffith (Llanelli) (Lab): I listened very carefully to the remarks of the hon. Member for Ceredigion (Mr Williams) and of my hon. Friend the Member for Ynys Môn (Albert Owen) and will not repeat many of the excellent things they have said. I will concentrate on three aspects of the problem. First, I will talk about funding. Secondly, I will talk about the issues of Ofcom and, thirdly, I will talk about the electronic communications code.

First, as was pointed out by the hon. Member for Ceredigion, £90 million of European regional development fund money goes towards the superfast broadband programme in Wales. That is out of £231 million, so it is a large proportion. There have already been delays in that programme and, were there to be any more delays, the worry is that that source of money could be cut off before the programme is finished. Can the Minister give us an absolute guarantee that that money will be there? Clearly, that is money from the ERDF and, according to the Brexiters, as that money originally comes from the UK Government it should be used for the same items as it was designated for before Brexit. That is over and above any funding the Welsh Government get. We need a guarantee that that is going to be the case.

Secondly, I refer to the issue of the opening up of what they call the BT dark fibre. Many of us have experienced the frustration of BT Openreach effectively being a monopoly, which has led to significant problems for some of our constituents. There seem to be enormous problems and delays in communicating with it and getting things done. I have spent many hours trying to chase things up on behalf of constituents when they are not able to get through.

I am pleased that, in its strategic review, Ofcom has set out plans to reduce the UK’s reliance on Openreach by further opening up the network and that it has confirmed its plans to require BT to provide access to its optical fibre network for providers of high-speed lines for businesses. BT will have to give physical access to those fibre optic cables and there will therefore be an opportunity for competitors to link in to those fibres and provide the services we want to see for our constituents—but hopefully providing a much better service. I hope that will in turn encourage BT to provide a better service as well.

Will the Minister tell us how effective he expects Ofcom to be in forcing BT to do this? We have seen in the past that Ofcom sometimes has not moved as quickly as it might to chase up on things, and I would like a clear indication from the Minister as to when he expects all this to happen and what he expects BT to find coming its way if it does not comply with Ofcom’s requirements. So we really want a very firm Minister keeping a very strong watching brief on what happens there, so that we can be absolutely certain that the new opportunities for access are made available and that there is a better service provided to our constituents, many of whom have been waiting a very long time to see improvements to the facilities that they have.

I should like to turn to the electronic communications code, about which I wrote to the Secretary of State for Culture, Media and Sport in November 2005. The code matters because in Wales mobile coverage is also important in helping to provide internet access, but unfortunately disputes between landowners and mobile operators can lead to significant disruption. Now that the Government are planning to introduce a Bill to reform the code, I should like to ask the Minister what exactly the timetable is for that Bill and how long it will take before its measures are implemented and people begin to see a difference. What guarantees can he give about the precise content of that Bill?

In answer to a parliamentary question that I tabled, the Minister reiterated the Government’s intention that the reformed code should be clear, fit for purpose and promote choice for consumers. It is essential that the code covers wholesale infrastructure providers, which make up a significant proportion of mobile networks. The draft code published last year excluded such providers and was therefore not fit for purpose. The issue of retroactivity should also be considered as mobile operators have expressed concern that unless the code applies to leases that have already been signed, its effect will be limited.

In conclusion, I want to reiterate what my hon. Friend the Member for Ynys Môn and the hon. Member for Ceredigion have said. Nowadays broadband is as essential, if not more essential, than roads, water and electricity. We expect it to be universally provided and we want everything to be done to speed up the roll-out of the Superfast Cymru programme.

3.12 pm

Calum Kerr (Berwickshire, Roxburgh and Selkirk) (SNP): It is a pleasure to have a fellow Scottish voice in the Chamber this afternoon, Mr McCabe. I congratulate the hon. Member for Ceredigion (Mr Williams) on an excellent introduction in a balanced and measured speech. Quite often when we debate broadband in this House people are understandably emotive because, as he recognised, one of the biggest single items that hits our
mailbags is poor broadband. That leads to a lot of, "Blame BT, it's everyone's fault, isn't it a disaster?", but we have to work with the Minister, who has been praised highly this afternoon. I am certainly concerned by that, but he is a fine chap and I am sure he will come back with some banter about the Scots. He has already warned me about that, although now that he has seen who is in the Chair, he might change his mind slightly.

It is important that we discuss the issue in a rational and sensible manner and that we also try to be constructive, and I thought the hon. Member for Ceredigion made an excellent start. His speech was balanced and measured. He recognised the progress that has been made. He also touched on some of the areas where he recognised there are further improvements being brought forward by the Government both in Wales and at the UK level. His quote from the current Prime Minister that "access...shouldn't be a luxury; it should be a right" is an important one. I think there is a gap between the rhetoric and the vision of where we want to go. We need to do a lot more to realise the vision. If we do not have a plan, our vision is essentially just a dream. That is something we need to look carefully at if we really aspire to lead the world in this area.

Some of the issues that the hon. Gentleman raised from a Welsh perspective—businesses and farmers—are things that echo with my own constituents in the Scottish borders. He touched on BT structure. Service levels are an important aspect. We need a lot more sophistication when it comes to looking at service levels. In the internet age it is no longer a binary: it is working or it is not working. We need to look at speed. Do we get what it says on the tin? We need to look at how that is performing over time and, because it is electronic, we should be able to do that in an efficient and automatic way.

The EU funding question is an excellent one, given that we are going to be awash with money shortly, we are told. Can we at least protect the not inconsiderable sum of £90 million? That is a huge percentage. The hon. Member for Llanelli (Nia Griffith) pointed out that that is out of £231 million, so it is a sizable percentage.

The speech by the hon. Member for Ynys Môn (Albert Owen) was educational. He had me googling Scottish education to see whether I could challenge him on some of his claims; I might have to revisit them. He made an important point about partnership. What we are seeing in terms of the delivery projects that are out there and that will remain critical for future projects is that it is about partnership between the Welsh Government, the UK Government and the EU. In my constituency, the local authority has also put significant sums of money in. The last 5%—tourist areas—is also something that we need to be acutely aware of. There are other aspects in terms of safety and lone workers, but tourists increasingly expect to arrive in a place, use their device and decide what they are going to do and where they are going to visit. They look for offers based on connectivity, so it is critical that we have that. We should note the emergence of cars that will allegedly drive themselves, although they will not be coming near our constituencies if they cannae work.

I am slightly concerned about the constituent the hon. Member for Ynys Môn talked about, who has such a slow download speed that he flies to Hawaii. That sounds like the kind of story that I would try and tell my wife and not get away with. He also mentioned the USO. I think there will be a lot of discussion on the USO. It is an excellent idea. We need to ensure that the programme put forward has a level of agility. My concern is that it will come in a one-size-fits-all satellite offer.

I am not sure—perhaps the Minister will clarify—whether a roll-out is envisaged. I think it will be something that constituents ask for. One of the things I discussed at length with Ofcom was how we can make the scheme more flexible so that it can be applied in lots of different ways.

The Wales first model is almost right—I would sign up to a rural first model, if that is okay with Members. I know that, when it comes to mobile coverage, that is something that happens elsewhere in Europe.

I loved the way in which the hon. Member for Llanelli summarised the issue in three points and gave me an easy job of summarising what she said. From a funding perspective, the £90 million is a staggering figure. She mentioned access to ducts and poles, including BT dark fibre. She asked an interesting question: how effective will this be and how effective will Ofcom be in regulating it? I am a little sceptical in all honesty about how much other providers really want to use BT ducts and poles. It feels something like a stick to hit BT with, but we must ensure that they are given a framework that enables them to do it, and then we will see whether they are really willing to.

There will have to be a lot of pressure on BT, because it is just about making that available; it has to be fit for purpose. There need to be design tools that enable other providers to come in with solutions. From an electronic communications code perspective, the hon. Lady made interesting comments. Mobile clearly is used for internet access in a lot of rural areas. We have to tread carefully in some of the matters she discussed. Rather than delve into them here I look forward to revisiting them, especially in relation to some of her comments about wholesale.

I recognise many similarities between Wales and Scotland, not least sporting prowess. As the Welsh football team leads the way as the best team in these isles and Andy Murray blazes across the courts at Wimbledon—Scotland leading the way in tennis and Wales in football—lament the Minister’s telling us where England is leading the way. Something else that Wales and Scotland share is low population density. Most of our population tends to be concentrated and centralised over a small stretch of territory. Both nations also have some of the most stunning scenery, as we have heard—but that is also challenging geography. Those two common factors of population spread and geography are at the heart of the problem of broadband coverage. That means that we need distinctive policy approaches for matters such as connectivity. If we are to make rural superfast broadband a reality, a one-size-fits-all approach will clearly not work.

The Scottish Government set out a highly ambitious vision for the country’s digital future, but a world-class digital nation requires that people living and working in Scotland, or visiting it, should be able to communicate and connect instantly using any device, anywhere and at any time. We used to call that, in the networking world, the Martini network—"any time, any place, anywhere", for those who do not know the advert. The Scottish Government have been working hard to meet the challenge.
The Digital Scotland superfast broadband programme, delivered via BT, is expected to deliver superfast broadband to about 95% of the premises in Scotland by the end of 2017. That programme is delivering more than £410 million of investment. On average it is connecting 7,000 new premises every week. On top of that, Community Broadband Scotland works with a budget of about £16.5 million to develop projects targeted at some of the harder to reach areas.

The reality, however, is that we need to go further. I am proud of the Scottish National party’s manifesto commitment to go further and, during the course of the present Holyrood Parliament—up to 2021—push superfast broadband to 100% of premises in Scotland. We realise that that is a challenge, but all of us in the Chamber know that it is possible. The only thing that stops us is ambition and a willingness to look at the models that will fit and work. That is where much of my effort, and the Scottish Government’s effort, is going at the moment.

The digital communications review from Ofcom has been welcomed, but it fell short in some areas—particularly in relation to rural remedies. The Scottish Government requested that consideration should be given to the simple fact that the market does not work in rural areas; we cannot rely on competition when it is uneconomical. We need to think about differentiation of approach for rural areas, in recognition of that. The Broadband Delivery UK scheme goes some way towards that, but we need to go much further. We also need to be careful that as we seek to push broadband further we do not end up putting little sticky plasters everywhere and finding we are back here in the same position in a couple of years, having put in a solution that has no future. We need to be careful that what we do has a future; and that, of course, means fibre, as far as possible.

As to the Digital Economy Bill, I shall be interested in whether the Minister finds there is an impact from the EU vote, and whether he thinks anything has changed. He is shaking his head, which is good news, because I am keen for us to push ahead with that measure. I have already mentioned the electronic communications code, but in relation to the universal service obligation I understand there are some rules and regulations and that there was a rationale for 10 megabits. I would like to understand whether that rationale is no longer valid. If the UK is leaving the EU, do we have freedom to set the USO at whatever level we want? I also think that, with the USO, upload is an issue as well as download, and that consideration should also be given to price and any data limits. Simply talking about download speed is a bit like looking at a car on the basis of how fast it can go. There is far more to it.

As we consider the new model, I thank the Minister for the level of engagement, and the approach that he has taken; I know I have done that once before. I find the Department for Culture, Media and Sport good to sit down and talk with, and to engage in proper, rational debate with. I believe that DCMS understands that the current model has limitations and was essentially a pragmatic roll-out. However, now there is no excuse. We know where the limitations are. We know about the 5%–plus—I suggest that it is significantly more than that in the constituencies of Members present for the debate. We really need DCMS and Ofcom to focus on rural remedies.

I recently chanced to bump into the Minister at a certain coffee establishment here, and I fear I was slightly boastful about the Scottish Government’s commitment to superfast broadband everywhere, which I contrasted with the measly 10 megabit USO. The Minister coined a phrase that I thought was fantastic—McBroadband. Given that Wales has raised the bar and shown the way when it comes to football, may I suggest that the Minister should not be ashamed to look at Scotland as we raise the connectivity bar, and to see McBroadband deployed across all these isles?

3.26 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): It is an honour to serve under your chairmanship, Mr McCabe. It is a great pleasure to respond to the debate for the Opposition. I congratulate the hon. Member for Ceredigion (Mr Williams) on securing this debate on an increasingly important topic. Like the hon. Member for Berwickshire, Roxburgh and Selkirk (Calum Kerr), I also congratulate him on the tone and content of his opening remarks, which were an excellent introduction to the subject and to the situation of many of his constituents, as well as many UK citizens in other rural areas. His opening comments were complimentary to the Minister; it would be churlish to suggest that that was in any way connected with the fact that his party was in government, if not in power, when many of the important decisions that are driving our current lamentable situation were taken.

I fear that I have already changed the tone of the debate from one of mutual agreement to one of division, so let me go back to something on which we can all agree—that we wish the Welsh football team every success this evening. Indeed, if the team can defy the odds and march through to the finals of the European championships, and then triumph, perhaps it is not too much to hope that the Minister will defy expectations today and give us some satisfactory answers as to why so many people in Wales—and England and Scotland, for that matter—cannot get a decent internet connection, which I assume the Minister can do on the smartphone that he is looking at so intently. It seems that anything can happen in these extraordinary times, but I must say that concrete answers from the Minister would be an extraordinary conclusion.

We face a period of uncertainty—I am talking about Brexit rather than the football now. As we start to think about our plans for negotiating to leave the European Union, which have already been mentioned—although, astonishingly, I understand that the Government have not thought about them until now—it is time for us to get serious about our infrastructure and productivity and make sure that we have an economy that works for everyone. The economic benefits of better digital infrastructure are well known. The hon. Member for Berwickshire, Roxburgh and Selkirk and I share a background in telecommunications, I believe, and we can both be proud to call ourselves technology champions. I think everyone would agree that the UK’s productivity problem has been one of the biggest challenges for our economy in recent years. We have the second-worst
productivity performance in the G7. The Government’s own broadband impact study states that “it is now widely accepted that the availability and adoption of affordable broadband plays an important role in increasing productivity”.

It is the Government’s policy to increase productivity, and they recognise the role broadband plays in that. I hope that they recognise the importance of productivity to the Welsh rural economy, as well as throughout the United Kingdom.

Why do we find ourselves in a situation now where so many people cannot get a decent broadband connection? As well as the economic benefits, there are significant social benefits. I mean not simply online gaming but online shopping and new applications in mental healthcare that are supported through digital infrastructure to enable better engagement and improve citizens’ wellbeing. It is unacceptable that some people cannot access those services.

Some people cannot access mandatory Government services and, worse, are penalised for not being able to access online services such as a mandatory job search. The internet opens up a world of education, social engagement and potential economic productivity—it is a window on the globe. All people across the United Kingdom should be able to expect that as a right, yet nearly 6 million people in the UK do not have access to decent broadband, and 130,000 businesses are struggling to make do with a connection of less than 10 megabits per second.

Wales is actually doing better than the rest of the UK for rural and business broadband—as well as in football. In Scotland, 50% of mid-sized businesses do not have access to superfast broadband, while in Wales the figure is “only” 38%. In England, 64% of rural premises are without superfast broadband, while in Wales merely—again, I use that word relatively—half of rural residents cannot access superfast connection speeds, which the European Union has said should be a universal minimum in just four years.

No doubt the Minister will tell us again of an unadulterated success, which is how he characterises the current broadband situation. As my hon. Friend the Member for Ynys Môn (Albert Owen) and for Llanelli (Nia Griffith) have mentioned, Wales lags far behind the other nations in mobile coverage. Only 20% of Wales is covered by all mobile providers, compared with 50% in England. I find that entirely unacceptable.

Mr Mark Williams: To allay the hon. Lady’s concerns about any generosity I expressed to the Minister earlier, does she agree that the Government’s mobile infrastructure project certainly was not considered a jewel by anyone—was the £790 million rural superfast broadband programme, which has been handed entirely to one company. Whatever our criticisms of British Telecom and I agree that it is unfair to hold BT entirely responsible for the current situation, the way in which the contracts for that tender were set out meant that we would end up in the current situation of monopoly provision. I certainly know that the Minister was informed, and indeed warned, of that possibility on more than one occasion.

It is true that the Government and the Minister are now finally waking up to the need to improve digital infrastructure. My hon. Friend the Member for Ynys Môn was very clear about where blame for the current situation lies. He was more modest about taking credit for the change in the Government’s approach and tone. The broadband challenge is now becoming the issue for the Minister that it should have been in the previous Parliament. I am concerned about that, because many Tory MPs find their mailbags bulging with complaints, and he is responding belatedly to that criticism from his own side. While we have potential solutions to the problem today, there is no solution for the incompetence that preceded it. People in Wales and beyond still do not know when they can expect the much vaunted universal service obligation to cover them and what that means for them practically.

I would be grateful if the Minister addressed the many excellent questions raised by my hon. Friends the Members for Ynys Môn and for Llanelli, and by the hon. Members for Berwickshire, Roxburgh and Selkirk and for Ceredigion. The Digital Economy Bill, published yesterday, is a real opportunity to address these issues and get Britain on the right track when it comes to infrastructure and digital rights for digital citizens. I am afraid that it will be a missed opportunity.

I would like the Minister to answer the following questions. Has he given up on hopes for competition—a word that appears only once in the Bill, in brackets—in the communications market? After the bungled attempts to reform the electronic communications code in 2015, why will this time be any different? What is his long-term vision for our digital infrastructure? We have heard about the importance of fibre. He seems to find it difficult to mention fibre, and certainly to set out when and how the UK will have universal fibre provision. How will the USO be funded? What talks is he in to ensure that that funding requirement does not fall disproportionately on rural areas?

Finally, will the Minister explain concisely exactly how the Digital Economy Bill will improve connectivity in Wales? The Bill will, I take it, be what passes for a vision for our digital society. That must include digital inclusion for rural areas in Wales and for my constituents in Newcastle who cannot afford the current superfast broadband provision. I hope he will set out his vision for ensuring that we have the digital infrastructure that we deserve and need in Wales and in the country as a whole.

3.40 pm

The Minister for Culture and the Digital Economy (Mr Edward Vaizey): I am grateful for the opportunity to speak under your superb chairmanship, Mr McCabe, and I thank the hon. Member for Ceredigion (Mr Williams) for this important debate about broadband.
Let me echo the words that were said about tonight’s football match, which is an incredibly important game. Unfortunately, I will be at the Art Fund museum of the year dinner with the Duchess of Cambridge, but I know that her father-in-law is particularly keen on a Welsh victory tonight, as is the whole country. Gareth Bale sits firmly in midfield in my fantasy league team and Sam Vokes is a striker, so we are hoping for a good result tonight.

If the hon. Member for Berwickshire, Roxburgh and Selkirk (Calum Kerr) thinks a Welsh sporting achievement and Andy Murray managing to make it to the quarter finals will rub English noses in it, let me remind him of the England rugby team and its 3:0 whitewash of Australia. It does not stop there either: perhaps we should talk about the test victory over Sri Lanka—I do not think Scotland plays cricket, but they may be a bit. Of course, today Mark Cavendish won his 28th stage in the Tour de France, thus matching the record of the great cyclist, Bernard Hinault. [Interruption.] I see the Clerk leaning over to you, Mr McCabe, saying that I am out of order—that I have gone off the subject of broadband—but thousands of Welsh people tonight will be watching television and perhaps through a broadband connection, thanks to me.

Chi Onwurah: I admire the way the Minister has manged to segue from football back to broadband. Does he agree that it is to be hoped that all those in Wales watching the match tonight do not stream it from broadband connections, as their pleasure is likely to be interrupted regularly by the circle of death?

Mr Vaizey: No. I encourage them to watch it online. They can watch it online, on their iPads or on ITV Player.

Let me turn to the subject in hand. I have been in this job for six years and it may feel like wading through treacle, but when I hear someone as distinguished as the hon. Member for Brecon and Radnorshire (Chris Davies)—luckily he has left the Chamber, so I can mention that figure publicly—up to around 92% in Ynys Môn.

Albert Owen: I know that the Minister would not want to mislead the Chamber—he would not be allowed to—but when he says “to homes”, he means to the cabinet. There is a technical difficulty in getting broadband from the cabinet to many homes. The cabinets may have been upgraded to provide a signal to homes, but it may not reach those homes.

Mr Vaizey: I know that the hon. Member would not want to mislead the House, and the quotation I hope he would take from what I said was “have access to superfast broadband”. There is a lot of terminology in this debate, but basically, yes, it is called fibre to the cabinet—it goes to the big green box—and sometimes people in homes who think they will have access to superfast broadband do not get it, but it is important to stress that the numbers we use are audited and tested by Broadband Delivery UK. We do not simply say, “Here’s a cabinet and therefore any home in the vicinity is going to get broadband.” We audit the figures and we are well aware that homes may be near a cabinet but do not get access to superfast broadband, because sometimes the circuit from the cabinet is confusing. [Interruption.] I am doing this for the benefit of Hansard, to see how they record it in the Official Report—but it may be that the Minister waves his finger around in an odd way.

The other good thing is that there is more money to be spent. The hon. Member for Ceredigion asked whether areas are being needlessly subsidised, so not only do I have to contend with colleagues; I have to contend with BT’s competitors, who are always keen to get in the door and tell everyone how useless BT is because they are promoting themselves. They say BT is being needlessly subsidised. We saw that one coming and constructed the contract so that if areas effectively become quasi-commercial because more people than we expected took up broadband, we get money back.

As I am sure hon. Members are aware, we have already gained £130 million and it is important to point out that BT has made that money available now. Under the strict terms of the contract, it could have held back for another seven years. We are expecting around £250 million back when the contracts are completed.

We have had additional money committed from BT and from underspend. We believe that with the existing money we can get to 97% rather than 95% of homes,
albeit not by the end of 2017, but probably a little later. The underspend is around £150 million, to add to the gain share, so we are looking at about £400 million coming through. That will make a real difference and should help us to reach 97% of homes by the end of 2020.

Another of the points made—I think by the hon. Member for Ceredigion, although the Opposition spokesperson also talked about competition—was about the monopoly aspect. As we move to phase 2 and the contracts become smaller and a smaller number of premises are in play, we are able to bring in smaller providers—for example, we have got companies such as Gigaclear—who would simply not have had the capacity for the big phase 1 roll-out. As part of our market test pilots, to work out how to get to rural areas as cheaply as possible, companies such as AB Internet in Monmouthshire, for example, have already connected 1,500 premises as part of its pilot. The smaller players are now coming into play, and we are actively engaging with a wider supplier base. In total, five different suppliers from BT now have contracts under phase 2, and we have had approval for our new state aid national broadband scheme, which means we can power forward on phase 2.

Some other points were made. I want to reassure hon. Members that the ERDF funding is secure until the end of 2020. We want to put to bed the idea that somehow the European money will disappear. The hon. Member for Ceredigion said that Wales was left behind or left out. I really want to nail that one down. It is important to stress that no part of the United Kingdom was left behind. As I think was mentioned, the total amount of funding available to Wales was in the region of £220 million, and I talked about 750,000 premises being connected—some in very hard-to-reach areas. I think there was also mention of Wales being ahead of the game, in terms of broadband roll-out, compared with the rest of the country.

I want to turn to the future. We talked about the universal service obligation and we learned an important new fact, which is that that is not Government policy; it is the policy of the hon. Member for Ynys Môn (Albert Owen). And it is not the universal service obligation; USO actually stands for “You’ve got service from Owen.” That is how it will be known from now on. In fact, he is such a genial-looking character that I think we might use him in the adverts when the universal service obligation comes to bear. I hope he will take part in the Second Reading debate on the Digital Economy Bill, because I think my second roll-out of that terrible joke might get a better reception if he is better prepared for it. The universal service obligation is there as a safety net. As I said, I think we are going to get very far with the roll-out, but just to give the hon. Gentleman and, indeed, the Opposition an open goal, we have not yet worked out the detail of how the universal service obligation will work. We are working with Ofcom on a range of options, which we will consult on. There is a range of ways in which the USO can be put together.

Of course, the hon. Member for Berwickshire, Roxburgh and Selkirk, who knows his onions when it comes to this subject, made a point that really only the aficionados and Selkirk, who knows his onions when it comes to the monoply aspect. As we move to phase 2 and the contracts become smaller and a smaller number of premises are in play, we are able to bring in smaller providers—for example, we have got companies such as Gigaclear—who would simply not have had the capacity for the big phase 1 roll-out. As part of our market test pilots, to work out how to get to rural areas as cheaply as possible, companies such as AB Internet in Monmouthshire, for example, have already connected 1,500 premises as part of its pilot. The smaller players are now coming into play, and we are actively engaging with a wider supplier base. In total, five different suppliers from BT now have contracts under phase 2, and we have had approval for our new state aid national broadband scheme, which means we can power forward on phase 2.

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Of course, the hon. Member for Berwickshire, Roxburgh and Selkirk, who knows his onions when it comes to this subject, made a point that really only the aficionados would have picked up, which is that it is possible to be with a USO. As he rightly notes, to have simply a demand-led USO for one individual premise, with a cost cap if it reached over a certain amount, would be potentially a very inefficient way of delivering broadband. We have to be more thoughtful and flexible about how we can deliver broadband to the lowest area.

The hon. Gentleman also talked about whether leaving the European Union might change our potential to increase the speed, but although we have left the European Union, we cannot change the laws of physics. The reason we have gone for 10 megabits is that it is the most realistic speed that we can get in a cost-effective way to the most hard-to-reach areas, but of course satellite connections, for example, could exceed that. Obviously we do not want to write the speed into the Bill, because we want to be flexible to ensure that the USO keeps pace in the future as average broadband speeds increase.

We are also bringing in the electronic communications code. I heard what the hon. Member for Llanelli (Nia Griffith) said about whether it should cover wholesale providers. We have rejected that because the wholesale providers are really on a par with the communications providers, with the mobile network operators, and we think it would be quite wrong to give the mobile network operators a commercial advantage over the wholesale providers that have built a business based on supplying the marketplace. We want the electronic communications code to be—a bit like the USO—a fall-back position whereby, in relation to an individual landlord who is not in the telecoms business but is providing land either for a wayleave or a mobile mast, there is a forum and a tribunal where any dispute can be worked out and worked out quickly. We want to bring the roll-out of broadband infrastructure into line with the roll-out of all other kinds of infrastructure, such as electricity, to try to bring down the costs.

I will make a serious point here. This may well prove to be controversial with some landowners, but we have dealt with a lot of the stakeholder groups in the landowning community, who are realistic and know that you can't have your cake and eat it. People cannot charge relatively high rents and at the same time complain about rural coverage. I hope that hon. Members will see the bigger picture and support these important changes, because, as the hon. Member for Llanelli said, we have taken a pretty tortuous route to get here.

Those are the two main changes that will come forward in the Digital Economy Bill. Going back to where we are on broadband roll-out, I have been looking at some interesting international comparisons. For example, if someone says that France has 25% coverage for fibre to the premises, people think, “Well, that’s terrible; we’ve been left behind because we only have 2% coverage for fibre to the premises,” but what we should be looking at is the outcome. Then we discover that cable, fibre to the cabinet and fibre to the premises are all in effect in the same geographic areas in France, so actually about 75% of the country does not have access to superfast broadband, whereas 90% of the UK does have access to it.

In fact, we have been very British about this. We have been incremental in how we have rolled out technology; and now, as we come to the end of phase 1 and phase 2, we are about to introduce G.fast, for example. Virgin Media, as hon. Members know, is investing £3 billion or £4 billion for 4 million more homes. We are starting to bring forward what one could call the ultrafast speeds just at the point when the public are ready, as consumers and businesses, to invest in them.
Olympic Games: Doping

Steven Paterson (Stirling) (SNP): I beg to move, That this House has considered doping and the Olympic Games.

It is a pleasure to have the opportunity to bring this matter before the House today and to serve under your chairmanship, Mr Turner.

The issue of doping in sport is extremely serious, and we have to face up to it. Recent years have demonstrated the scale of the challenge and the need to ensure that we are vigilant in ensuring that systems are in place to detect and punish doping in sport and to protect clean athletes and, ultimately, the long-term health of athletes. Professional athletes dedicate their lives to their sport, training rigorously and making significant personal sacrifices in order to reach peak physical condition and compete at their very best.

There are umpteen examples over the years of cheats who have used banned performance-enhancing drugs not only to reach their physical potential, but to exceed it—sometimes greatly. Those cheats betray and undermine the dedicated efforts of athletes who play by the rules and seek to compete to the best of their natural ability, on a level playing field, under rules that everyone is aware of. In the modern day, that means that the World Anti-Doping Agency takes expert medical advice and produces a list of banned substances that no athlete competing in a sport may use as part of their training or preparation for that sport.

On 13 April I raised this matter with the Prime Minister during Prime Minister’s Question Time. He responded that it was to be discussed at the anti-corruption summit he was holding on 12 May. From the response to my follow-up letter on the subject following that summit, I was pleased to learn that the matter was indeed discussed and that a new international sport integrity partnership is to be launched next year, to better integrate the various international organisations and Governments in order to tackle corruption in sport. The response also mentioned the charter for sports governance, which was published on the day of the summit and outlines the main themes that will form a new UK governance code, which is currently being developed. I am sure the Minister will have more to say on that, and I look forward to those comments.

I turn to the context in which we find ourselves with regard to doping in sport. It is nearly 30 years since Ben Johnson failed a drug test after smashing the world record in the Olympic 100 metres. It is over a decade since Lance Armstrong was using performance-enhancing drugs to win the Tour de France, and four years since his offences were finally established and his titles stripped from him. We live in an age when the rewards in elite sports have never been greater, and thus the incentives to win at any cost have never been higher. In response to doping scandals such as those, the World Anti-Doping Agency was established in 1999 to promote and enforce a world anti-doping code, including a list of banned substances that is published annually. The responsibility for ensuring that an athlete does not take substances on the banned list lies with the athlete themselves.
The operation of the system is best exemplified by the recent failed drug test involving tennis player Maria Sharapova. Sharapova was the highest-paid female athlete in the world, but tested positive for a banned substance called meldonium. That drug is primarily used to improve blood circulation and is commonly used medically to combat heart disease. The substance was added to the list of banned substances on 1 January 2016, and Sharapova tested positive later that month at the Australian open tennis. Her defence was that she had been using the substance legally for 10 years and had not been aware that it had been added to the list of banned substances, having claimed not to have read several emails from tennis governing bodies advising of the addition of the substance to the list. She was banned from all competitions for two years, although an appeal is pending on the length of the ban.

The case raises important issues about performance-enhancing drugs in sport. First, given the constant evolution and development of pharmaceuticals, and medical and sports science more generally, it is inevitable that the list of banned substances will also evolve over time. Making additions once annually, at the beginning of each calendar year, and being absolutely clear that responsibility for compliance rests with the athlete is, I think, a reasonable way forward in order to be fair to all sides.

Secondly, however, the case raises the question of ethics. Sharapova did not need to take meldonium for any medical need; she took it because it enhanced her performance. I would argue that her actions in taking the substance purely to gain a competitive advantage justify the strict enforcement of the rules. If we accept that she was not aware of the rule change, it is difficult not to have sympathy for Sharapova, but she had ultimate responsibility for knowing what substances were banned and ensuring she complied with the rules. It may be tough on her, but those rules have to be applied evenly if we are to be fair to athletes who make the effort to ensure that they are clean and in compliance with the rules.

Andy Murray, the Olympic gold medallist, who hails from Dunblane in my constituency, is a model of sporting integrity and is on record as supporting the strict application of the rules. He stated earlier this year, on the news of Sharapova’s suspension:

“I think taking a prescription drug that you don’t necessarily need, but just because it’s legal, that’s wrong, clearly. That’s wrong.”

I am in full agreement with that sentiment, and the issue of prescription drugs may require further attention by the World Anti-Doping Agency when it considers what types of substances merit being banned in future years.

Turning specifically to this year’s Rio Olympics, the countdown has been somewhat overshadowed by the scandal of doping and associated corruption that has seen Russian athletes banned from the games and questions hanging over the participation of several other nations.

Marion Fellows (Motherwell and Wishaw) (SNP): My constituent Yvonne Murray, who is now Yvonne Mooney, came third in the women’s 3,000 metres at the Seoul Olympics in 1988. She was beaten by a Soviet runner, Tetyana Samolenko, who five years later was found guilty of doping, and by a Romanian runner who had links to the Soviet doping programme. Ms Samolenko has been allowed to keep her Olympic medals, despite attempts by Ms Mooney to encourage the International Olympic Committee to take action. It claims that there was no way to prove that Ms Samolenko was doping at the time. Does my hon. Friend agree that athletes found guilty of doping at any time in their career should have all their medals removed, and that the medals of those who were placed behind them should be upgraded?

**Steven Paterson:** My hon. Friend makes a very reasonable point. Yvonne Murray has been cheated, or may have been cheated, of a medal by athletes who were doping. For me, that goes to the heart of why we need a regime that can successfully and robustly test and challenge athletes to make sure that they are clean. That is exactly why we need an effective regime combatting this.

The investigation of Russian athletes was instigated following an investigative documentary aired on German TV channel ARD entitled “Top-Secret Doping: How Russia Makes its Winners”. It alleged a systematic doping programme for the country’s athletes and widespread corruption practice to conceal it. Following the documentary, the World Anti-Doping Agency established an independent commission to urgently investigate the allegations. The report by the independent commission was damning and led to the suspension of the Russian athletics federation in November 2015. That has, in turn, led to Russian athletes being banned from competing under the Russian flag at the Rio Olympics.

I would like to quote from the report, because it makes the scale of the issue crystal clear. In the summary of findings, it states:

“The investigation has confirmed the existence of widespread cheating through the use of doping substances and methods to ensure, or enhance the likelihood of, victory for athletes and teams. The cheating was done by the athletes’ entourages, officials and the athletes themselves.”

It goes on:

“In addition, evidence exists that confirms that coaches have attempted to manipulate or interfere with doping reports and testing procedures. They are also the source and counselling of athletes’ use of PEDs. The coaches are supported in their doping efforts by certain medical professionals.”

If I may, I will list the specific findings because they lay the position out. First, under the heading “A Deeply Rooted Culture of Cheating”, the report says evidence of

“cheating at all levels is widespread and of long standing.”

It includes the remark that many of the “more egregious offenders” were coaches who were themselves former athletes, and that a common justification for cheating was that everyone else was probably doing it.

Secondly, under “The Exploitation of Athletes”, the report states that as a result of that mindset, an open and accepted series of unethical behaviours and practices has become the norm. Even in cases where the athletes themselves seemed unwilling to participate in doping, they were threatened with not being considered for selection by the national federation. Thirdly, under “Confirmed Athletes Cheating”, the report states that the central allegation, that Ms Samolenko doping was upheld, although the independent commission found that a high percentage of athletes were unwilling to participate in, or co-operate with, the investigation.
Fourthly, under “Confirmed Involvement by Doctors, Coaches and Laboratory Personnel”, the report found evidence that the doping programme was systemic and widespread. The investigators were deliberately inhibited in their work by what was described as “the intentional and malicious destruction of more than 1,400 samples by Moscow laboratory officials after receiving written notification from WADA to preserve target samples.”

Fifthly, under “Corruption and Bribery within IAAF”, the report identifies “corruption and bribery practices at the highest levels of international athletics.”

The report is damning and reveals the enormity of the challenge we face. Its scale and findings cannot be underestimated. There was a collective disregard for athletes’ current and future state of health, and it was clear that with the right resources, testing can be and has been circumvented, whether through athletes getting advance notice of supposedly random tests or through the manipulation of the biological passport.

What is to be done? The World Anti-Doping Agency was founded “with the aim of bringing consistency to anti-doping policies and regulations within sport organisations and governments right across the world.”

That is its mission statement, yet as its former president Dick Pound told me when I met him at Stirling University in April, WADA is expected to achieve that despite having an annual budget that is less than Maria Sharapova earned personally in endorsements last year.

The budget for WADA in 2015 was $29.5 million, with half the funding being supplied by states and half by the Olympic movement. Of that, the UK contributed $745,870. However, it is sobering that the investigation into Russian athletics cost $1.5 million—and that is only one sport in one country. According to Dick Pound, the WADA budget has been too low almost from the outset of its activities, and that example of the costs associated with pursuing just one investigation, which was clearly necessary given its findings, should be a wake-up call for anyone who shares the ideal of ridding sport of doping.

It is clear that WADA needs to be better resourced, and although I welcome the commitment and resources that the Government have put into the organisation, we as an international sporting community must collectively do more. There is a case for seeking more transparency and accountability from WADA. That is not meant as a criticism, but if we are to do what is necessary to beef up the role that it plays and commit the necessary level of resource, there needs to be an increased level of oversight.

For example, if the role played by WADA was better understood, it might be possible to increase and enhance the participation of stakeholders in efforts to challenge cheating in sport and improve policing and monitoring across a wider range of sports. Transparency would bring greater clarity to why decisions are made and why investigations are held, and it would force WADA to plan proactively for the long term to promote a culture change while changing conduct in the short term.

There is also a role for more education as a pre-emptive support and to help athletes avoid accidental doping, and I hope that that will be considered in future. Professional elite sports have never been more awash with money, and it is high time their representative organisations took greater responsibility for challenging the drug cheats. That means contributing more to the organisation that exists to do that work, with a code of practice that they have signed up to.

I hope that as the Government take forward discussions on a new governance code, they can bring their influence to bear on national sporting bodies and stress that as well as promoting and developing their particular sports, they have a shared responsibility to ensure that they promote and develop clean sport. We should also seek to encourage and protect whistleblowers in sport, including through anonymity, financial incentives or a faster and more effective mechanism within sports organisations to act swiftly and decisively on concerns raised.

A recent report in The Sunday Times regarding Mark Bonar raises important questions about the role of whistleblowers in the fight against doping, and about the accountability of UK Anti-Doping, which, according to the newspaper, was informed of Dr Bonar’s doping activities two years ago but failed to act. If that is true, how UK Anti-Doping is held to account is important, particularly in the light of the fact that it is taxpayer-funded to the tune of £6 million.

Given the Russian investigation, it is clear in which direction anti-doping efforts need to move: towards intelligence-led operations, which require greater involvement of stakeholders and whistleblowers. When WADA was set up, it provided global standardisation in the system of penalties and banned substances, and that system now needs to grow and incorporate greater intelligence and oversight of regional anti-doping and sports federations.

Media organisations such as The Sunday Times and the German TV channel ARD deserve huge credit for the investigatory journalism that they have provided to shine a light on these corrupt practices, but does that not also demonstrate a UK and world anti-doping regime that is reactive instead of proactive? Greater forward planning and a long-term strategy to change the culture are required, because the fight against doping in sport will be with us for the long term given the phenomenal amount of money in sport.

In closing, I want to mention the valuable research being undertaken at Stirling University in my constituency. Researchers have been working on these issues for 12 years, during which time they have developed expertise in the social, policy and educational aspects of it. Indeed, some of their work has been funded by WADA. The university’s focus is on excellence in sport and education, with the SportScotland institute of sport and other sports organisations in Stirling in close proximity. Given the expertise of the sports researchers and experienced athletes associated with the university, there is an opportunity to create a leading centre for anti-doping research and education here in the UK, and specifically in Stirling, where that expertise already resides. I hope that the Minister will consider that and perhaps meet me and university representatives in due course to discuss the idea in more detail. Again, I am very grateful for the opportunity to speak on this issue.
4.15 pm

**The Parliamentary Under-Secretary of State for Culture, Media and Sport (Tracey Crouch):** It is always a pleasure to serve under your chairmanship, Mr Turner, and I thank the hon. Member for Stirling (Steven Paterson) for securing this timely debate on an issue that strikes right at the heart of sporting integrity in the run-up to arguably the greatest sporting event on earth—the Olympics.

Although it is perhaps unavoidable that discussions on doping will be a factor around Rio 2016, given recent scandals, some of which the hon. Gentleman mentioned in his speech, we should remind ourselves how fortunate we are that the vast majority of athletes do not cheat and, from the British perspective, how fortunate we are to have UK Anti-Doping, one of the world’s leading anti-doping organisations. Its reputation has been gained through its robust, intelligence-led Clean Sport programme, including successful education initiatives and athlete testing across Olympic, Paralympic and professional sports. That reputation saw the World Anti-Doping Agency invite UKAD to manage the testing programme in Russia as part of the work to once again make Russia compliant with the anti-doping code.

We managed to secure enhanced funding for UKAD in the recent spending round, but given the work it already does with sport here in the UK and across the world, there is no doubt in my mind that that organisation has great potential to commercialise and expand its expertise. In a month’s time, our athletes will begin competing in Rio and UKAD is working with the British Olympic Association to create a robust and comprehensive pre-games testing plan. In addition, every athlete on the team will take part in a Clean Sport education programme and every member of the athlete support team will also undertake the Accredited Advisor of Coach Clean workshop, so they are fully versed on what to expect ahead of the games.

It would be helpful if that proactive approach could be replicated by every country ahead of a summer or winter games to help to guarantee a level playing field for all competitors. That desire drove the Prime Minister’s discussions at the anti-corruption summit in May and will form the basis of action in future.

The governance codes that are being developed, which the hon. Gentleman referenced in his speech, were set out in the sports strategy that I published in December. The codes are to drive reforms in governance, and we expect all sports to encourage clean, drug-free activity among their participants. The codes will deal with a number of matters relating to integrity, including doping and match fixing.

As concerning as it has been to read of the doping scandals around Russian sport in particular, it is important to recognise the work of the international sporting community in mitigating such doping scandals. Although the hon. Gentleman cited high-profile cases that have brought sports into disrepute, we must remember that there are thousands of sportsmen and women who have broken records without drugs and inspired generations. It is really important that we continue to remember that, because although there are some high-profile cases, many of which he mentioned, there are lots of really clean athletes out there who do their sport the best they can without enhancement.

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): On the basis of fairness and high-profile cases, does the Minister have sympathy with Alain Baxter, the Olympic bronze-winning medallist of 2002 in the winter Olympics? He was banned and stripped of his medal for taking a Vicks inhaler made in the USA—as opposed to one made in the UK—as it had traces of levmetamfetamine. It was not on the banned list, but he still lost his medal as a result, even though he was not part of the scandal of cheating.

**Tracey Crouch:** There are always exceptions that make it difficult to create a rule. The hon. Member for Motherwell and Wishaw (Marion Fellows) talked about her constituent and the hon. Member for Stirling mentioned Sharapova. Of course, there are always lists of banned substances, but substances evolve and some people get innocently caught up in that. The athlete and all those around the athlete have a responsibility to ensure that whatever the athlete is taking is not on the banned list. We have deep sympathy for people such as the constituent of the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry), but we have to apply rules to everybody. It is a complex issue, but we should remember that the vast majority of athletes go to the Olympic games and compete in all other sports in a clean way and with integrity.

Without doubt, the International Association of Athletics Federations vote to ban Russian track and field athletes from international competition not only reflected the strength of feeling about cheating; it also told the world that doping will not be tolerated. Although it is important that Russia was sanctioned, it is equally important that the next steps, such as ensuring future compliance with the code, were addressed immediately.

It is reassuring that, as part of a five-point plan for Rio, the International Olympic Committee announced that Russian athletes outside of track and field, and countries currently non-compliant with the World Anti-Doping Agency code, will now be subject to strict additional pre-Rio testing before being allowed to compete at the games. It is only right that those competing in Rio can do so in the knowledge that athletes from non-compliant countries have been tested and declared clean ahead of competition. That should give us added confidence that our British athletes are competing against clean athletes.

It would be naïve to think that the testing methods and intelligence expertise in operation across the world counteract all doping. The desire of those to cheat and profit from doing so will always mean that dopers will do all they can to try to be one step ahead of the testing process. The hon. Member for Stirling mentioned the constant development in pharmaceuticals and he is right. We have seen that in other areas of legislation, such as that on legal highs. However, with that evolution comes better testing. As we have seen in recent weeks, the re-testing of samples, from both Beijing and London, has found a number of positive tests. That is a result of the ever-evolving testing and intelligence techniques, and it sends a message that there is no hiding place for any athlete who chooses to cheat.

On the point made by the hon. Member for Motherwell and Wishaw, the IOC’s “Olympic Agenda 2020” recommends that athletes who lose out on a medal to athletes who test positive receive their medals. I sincerely hope that the IOC takes forward that recommendation.
The honourable thing would be to retrospectively take away a medal if it is proven that an athlete has cheated.

The hon. Member for Stirling mentioned WADA and the need for better transparency and accountability. I am not sure whether he is aware that I was recently appointed to WADA’s foundation board, which is the agency’s decision-making body. That is an important position for the UK at a time when a united, global approach to eliminating doping is required. The UK has long been an advocate of tough sanctions on doping and I look forward to working with my international partners to maintain the integrity of every sport.

At a national level, we cannot be complacent, and we are reviewing the effectiveness of our legislation to combat doping. Existing legislation under the Misuse of Drugs Act 1971 carries sentences of up to 14 years’ imprisonment for trafficking and supply of banned substances. The world anti-doping code now includes an automatic four-year ban, under which an athlete misses an Olympic games cycle. The review is currently under way and, should it become clear that stronger criminal sanctions are needed, we will not hesitate to act.

The hon. Member for Stirling is right to speak about the work of the University of Stirling with such pride, and I was interested to hear about the work that it continues to undertake. I would be delighted to meet with representatives of the university, and he can feel free to contact the office to arrange that.

The reaction of the international community in response to the doping headlines over the past 12 months sends a powerful message ahead of Rio, not least that a successful track and field nation such as Russia can be banned from an Olympic games. It is an unfortunate truth that doping is a part of sport and will always be a threat as long as people look to gain an advantage. As a result, we must never be complacent in the fight against drugs cheats. Every positive test hardens our resolve in the fight against doping. For Rio and beyond, it is important that we give clean athletes the level playing field on which to compete, which their hard work and integrity deserve and from which the next generation will be inspired.

Question put and agreed to.

Electric and Hybrid Electric Cars

4.30 pm

Neil Parish (Tiverton and Honiton) (Con): I beg to move,

That this House has considered electric and hybrid electric cars.

It is a great pleasure to serve under your chairmanship, Mr Turner. It is great to see the Minister, who I am sure is very interested in electric cars.

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): I am.

Neil Parish: I look forward to having electric cars running all along the A303 and A30, with that road, along with the A358, completely dualled—that is an aside for the Minister, but I am sure he has already got the message.

The electric and hybrid electric car market is booming in the UK, with the number of hybrid electric cars increasing by 31% and the number of electric cars by 52% in the past year alone. Electric vehicles decrease emissions, reduce noise pollution and, critically, can help to dramatically improve air quality in our city centres.

Sir Greg Knight (East Yorkshire) (Con): I declare an interest as chair of the all-party historic vehicles group and the owner of several historic vehicles. Does my hon. Friend agree that we should not accompany the incentivising of electric vehicles with a penalty against those who seek to keep part of Britain’s motoring heritage on the road?

Neil Parish: If we can dramatically reduce pollution levels by using electric cars, particularly in our city centres, we should be able to allow—dare I say it?—a little pollution from older vehicles. It is a matter of balance, and I agree with my right hon. Friend. I prefer a carrot for people to move over to electric cars, rather than a stick for those who do not.

The April 2016 report on air quality by the Select Committee on Environment, Food and Rural Affairs stated that each year there are between 40,000 and 50,000 early deaths due to air quality problems. Polluting vehicles are part of the problem, especially in our inner cities. The UK has a legal obligation under EU directives to address air quality. Of course, we can probably now have our own directives, but most people in this country would agree that it is good to set a target to reduce nitrogen dioxide levels to 40 mg per cubic metre or less and to ensure that, particularly in our inner cities, not only our cars but our vans and lorries—the vehicles that are actually polluting—are electric or hybrid.

Michelle Donelan (Chippenham) (Con): Will my hon. Friend acknowledge that such measures would dramatically change areas, such as Bradford on Avon in my constituency, that suffer heavily from air pollution problems due to huge levels of congestion? Small pockets like that, as well as the big cities, could be dramatically transformed.

Neil Parish: My hon. Friend makes an interesting point. People who drive an electric car, especially a pure electric car, are not starting and stopping their engine in
queues of traffic, where the highest levels of pollution are often found. It will take a little while to get to the number of electric cars that we want, but it will make a dramatic difference in areas such as Bradford on Avon, which she represents so well.

Now that we have left the EU, it is vital that the Government double down on air quality issues. Well, we are about to leave—it is rumoured that there was a referendum. The new targets that we set must be as rigorous as those set by the EU. During the referendum campaign, nobody on either side argued against that—before the hon. Member for Brent North (Barry Gardiner) glares at me, I was actually on the remain side. We must set tough targets on both the location and levels of pollution, because we all want a clean environment. The Mayor of London has outlined even tougher measures to address the problems, including a £10 pollution charge and a faster roll-out of clean buses, so everyone is working towards that aim.

I will now talk about the Norwegian model—not for entry to the single market, but for electric cars. Some 25% of all new cars in Norway are plug-in electric vehicles, which compares with 1.3% in the UK. Although we have had interesting increases in the number of electric cars, which I mentioned earlier, those increases were from a low base. The increase in Norway was due to a long-term infrastructure drive launched in 2009-10 and incentives for electric cars, which include the abolition of import tax; reduced annual registration tax, or road tax; no purchase taxes; road toll exemptions; 0% VAT; access to bus lanes; free access to road ferries; and guaranteed financial incentives until 2018. Norway has been very ambitious, and I expect the Minister to be equally ambitious.

**John Howell** (Henley) (Con): My hon. Friend is delivering a passionate exposition of his case. Will he join me in welcoming research such as that taking place at the Culham Centre for Fusion Energy in my constituency? The centre is particularly researching batteries, not only for electric cars but for driverless cars. The new generation of batteries that are being produced will power such cars for even longer.

**Neil Parish**: My hon. Friend makes a good point. Battery capacity affects mileage, the length of time between charges and, of course, how long the batteries last. One problem with the early hybrid cars was that their batteries did not last long enough. Such research is therefore key, as is research on hydrogen cars.

The two main barriers to increasing the number of electric cars are the number of charging points and the cost. According to Zap-Map.com, the UK currently has some 11,400 charge points at 4,000 different locations. By comparison, Norway has 6,500 charging stations at 1,580 locations. Norway has only a thirteenth the population of Britain, so comparatively it has many more charging points. The UK cannot be left behind. In Britain, on average, there are 4 miles between each public charging point; in Wales, it is a full 12 miles. Clear and visible charging points are a crucial way of encouraging more members of the public to invest in electric cars. The Government should commit to installing public electric chargers within 1 mile, on average, of every home in Britain—that is what the Minister has to do.

**Chris Davies** (Brecon and Radnorshire) (Con): I am delighted that my hon. Friend has mentioned Wales, and I am sure the Welsh football team will be in everyone’s thoughts tonight. Many right hon. and hon. Members, and indeed the Minister, will know that Riversimple, a hydrogen-based car company in my Brecon and Radnorshire constituency, was out in New Palace Yard just a few weeks ago. I hope the Minister will tell us how the Government can support such interesting schemes and businesses. Such home-grown technology can help Britain to lead the way.

**Neil Parish**: I could not agree more. Although this debate is about electric cars, hydrogen will also play a really important role. May I take this opportunity to wish Wales all the very best for tonight? May they get through to the final, because England cannot seem to manage to do it. I hope Wales do very well.

A project in my constituency in Devon is currently considering a car hire hub at junction 27 of the M5. People will be able to come by train to Tiverton, take a bus, and hire electric cars. It has not been built yet but I hope it soon will be, because it is a really good idea for Devon and for the countryside.

It is also vital that the Government ensure that many of the new charging points offer rapid charging, either by alternating current or direct current. Rapid AC chargers can charge an electric vehicle up to 80% in 30 minutes. That is essential, because one reason why people do not always buy electric cars is that they fear they will take a long time to charge and that they do not travel a great distance. In 2015, only 20% of UK chargers were rapid chargers. When the Government roll out new charging points, they need to ensure that the majority of them are rapid, so that drivers can quickly recharge and continue their journey. The Government should ensure that every petrol station has rapid charging facilities.

**James Heappey** (Wells) (Con): My hon. Friend makes an excellent point. Our hon. Friend the Member for Montgomeryshire (Glyn Davies) secured a similar debate in this Chamber a few weeks ago, in which I made the point that when the petrol combustion engine was rolling out at the beginning of the last century, the cars came before the petrol stations. Rather than focusing on the provision of charging points, the Government should focus on incentivising the take-up of electric cars. The charging points will surely follow.

**Neil Parish**: My hon. Friend makes an interesting point, and I shall move on to incentivising people to buy electric cars to get more of them on the road. However, I emphasise that the two aspects need to come largely together. The shortage of charging points may be one reason for people not buying the cars in the first place. We have to have both.

Actions the Government have taken include the plug-in grant of up to £5,000 for cars and £8,000 for vans; setting up the Office for Low Emission Vehicles; additional conversion funding for vans and lorries; funding for all Government car fleets to go electric—I see the odd Land Rover and Range Rover here outside, but I think all Ministers ought to be in electric cars—and tax benefits and exemptions for electric vehicles.

The Government should supercharge their efforts to incentivise electric vehicles. The Chancellor has rightly cut fuel duty since 2010; the Brexiteers raised the prospect
of exempting fuel from VAT during the referendum campaign, but they seem to have gone remarkably quiet about it since then. There should be a similar push to incentivise the use of electric and hybrid vehicles in the Department for Transport and in Government more widely.

What about future policy development? Some innovative towns and cities, such as Milton Keynes, have new schemes—free parking, charging hubs, bus lane priorities—to boost electric vehicles. The Government should copy local authority best practice on electric cars. They must recognise that electric vehicles are part of the future of our transport. Electric car registrations are predicted to outstrip petrol and diesel vehicles by 2027, and it would be good to achieve that before then. Private car ownership is dropping in many cities, including London, with a move towards car sharing, car pooling and taxi services. Shared transport becoming cheaper should encourage the business community to adopt rapid electric cars more quickly. Transport businesses support electric vehicles, because they are reliable and efficient. The Government must be alive to incentivising businesses, through better infrastructure and lower cost, to move their car fleets over to electric vehicles.

To ensure that electric and hybrid vehicles, which are much quieter than conventional vehicles, are safe for blind and partially sighted people, we must make sure that they make some sound so that people know they are coming. It is a huge advantage to have very quiet vehicles, but if they are too quiet there can be a danger.

I am now getting to my recommendations—I am sure the Minister will be pleased that I have made a few along the way. Electric and hybrid vehicles are the future; they are cleaner, quieter, greener and go a long way to reducing air quality problems. The Government should greatly enhance current programmes. Fewer than 1% of cars on British roads are hybrid or electric vehicles at the moment, so we need to go much faster. The Government’s modern transport Bill will offer a great opportunity to take the necessary steps. I know we have heard this many times over recent months, but let us copy the Norwegian model. If we put the infrastructure in place and create the incentives, electric car usage will rocket.

Let us have a Government commitment to rapid AC or DC chargers within an average of 1 mile of every home in Britain, not the current 4 miles; proper, generous incentives for electric vehicles for both business and private ownership, including tax breaks, toll exemptions and access to bus lanes; an integrated part of the gov.uk website that shows every electric public charging point in the UK and how many rapid charging points are available; and a statutory obligation for every new petrol station to contain electric car charging points. Let’s get this show on the road. I look forward to the Minister’s response.

4.47 pm

Alan Brown (Kilmarnock and Loudoun) (SNP): It is a pleasure to serve under your chairmanship for the first time, Mr. Turner. I congratulate the hon. Member for Tiverton and Honiton (Neil Parish) on securing this debate. One quite good thing about Westminster Hall debates is that they give me a chance to agree with Conservative Members, and I pretty much agreed with everything he said, including his recommendations and conclusions. He mentioned the need for continued tough regulations and targets on climate change and air quality after Brexit. I agree with that, but from a Scottish perspective I hope Scotland will remain in the EU, as the Scottish people wish.

The standard motion in a Westminster Hall debate is “That this House has considered” the topic. By default, for electric and hybrid cars, the answer is yes. The House has already considered the matter, and there have been different Government policies on it. However, those policies have changed, which is part of the reason why electric vehicle uptake is not as high as was originally predicted.

Everyone agrees that electric cars are good for the environment and they have the bonus that their running costs are estimated at 2p to 3p per mile, which is way cheaper than 16p per mile for the average family car that runs on conventional fuels. But, as the hon. Member for Tiverton and Honiton pointed out, up-front costs are a barrier to many people being able to purchase these cars, so the uptake has been way too small for us to start to make inroads in climate change targets. The Government need to take more action, and that action has to be joined up across the entire energy sector if it is to contribute to meeting climate change targets. I emphasise that I agree with the hon. Gentleman’s recommendations.

Sir Greg Knight: Does the hon. Gentleman agree that another barrier to many of us leading by example and using an electric car is the range of the vehicle? If he or I wanted to travel from our constituencies to Westminster by electric car, we could not currently do so without breaking the journey to recharge it.

Alan Brown: I agree with the right hon. Gentleman. The point was made earlier that the up-front cost is one barrier, but another is the availability of charge points and the distance cars can travel. I hope to touch on that a little later.

In 2011, the coalition Government published their strategy paper for electric vehicles, which predicted that between 1% and 2% of new car registrations in 2015 would be electric. That was a very modest target, but sales for the third quarter of 2015 were less than 1%—effectively, the target was missed by 100%. Between 2010 and 2015, only 42,700 out of 3.4 million new cars registered were electric. That is only 1.3%, so there is a long way to go. A 2050 horizon for nearly every car being electric is a reasonable timeframe and an acceptable target for the Government but, if we are to achieve that, instinctively, it feels that we need a much higher uptake than we currently have. To achieve that will require more Government action. Will the Minister explain what additional steps are planned?

We heard earlier that that wee independent oil-rich country called Norway has managed to achieve a market share for electric vehicles of 18%—that is what my notes say: if it is 25%, as the hon. Member for Tiverton and Honiton said, that is even better—so there are clearly lessons to be learned.

Douglas Chapman (Dunfermline and West Fife) (SNP): The all-party group on energy heard last week from Statoil, the Norwegian state oil company. It said that,
although setting tough targets on emissions is important, we really need to take action to change people’s behaviour. Does my hon. Friend agree that Norway is making a huge contribution in that regard? If we could mirror what Norway is doing—for example, by taking similar fiscal steps—that would be a good model on which the UK could base its plans.

**Alan Brown:** I totally agree. It is ironic that Norway has made so much money from oil but is now re-investing it and planning for the future by reducing emissions. There are clear lessons to be learned from how Norway set up an oil fund for future investment.

I return to Government policy. Further proof of inconsistency is shown by the fact that in March 2011 the coalition Government stated that by June 2011 they would publish a strategy to deliver 8,500 charging points throughout the UK. Come June 2011, the emphasis was on how charging would mainly take place at people’s homes. That was seen as a retreat from the original commitment. I agree with the logic—most people would prefer to charge their cars overnight at a charge point in their home—but in cities in particular that option is not available to many people. It is now July 2016, and there are still only 4,094 connection points, so it is clear that the planned accessibility is not there and that, as we have heard from other Members, that is a barrier to the increased use of electric cars.

In 2014, it was pledged that there would be a rapid charge point at every motorway station and a network of 500 rapid chargers throughout the country by the end of 2014. In 2016, there are still only 689 rapid chargers, so it is fair to say that that target was missed. Can the Minister update us on the status of the plan for a rapid charger at every motorway station?

General availability is patchy as well. Some 33% of connectors are in London and the south-east. I am pleased to say that Scotland is punching above its weight, with 15% of the UK’s total. That is partly thanks to the Scottish Government’s investment of £11 million in 900 publicly available charging bays. There would seem to be an ambiguity about charge points, which are the locations, and the number of connectors. That ambiguity seems to suit the Government when they answer questions, because the number of chargers gets conflated with the number of charge point locations.

**Michelle Donelan:** Does the hon. Gentleman acknowledge that certain authorities, such as Wiltshire unitary authority, have led the way and are ensuring that there are multiple charging points? In fact, there are many in my constituency. I agree that coverage is patchy in certain areas, but there are areas that we should hold up as beacons of how to do it right.

**Alan Brown rose—**

**Mr Andrew Turner (in the Chair):** Order. I should inform Members that, when the hon. Gentleman has finished, there will be five minutes for each speaker.

**Alan Brown:** I will take that as a cue to hurry up. Mr Turner. I appreciate the point made by the hon. Member for Chippenham (Michelle Donelan): good practice should be held up and rolled out.

There is no doubt that the Government can and do drive behaviour. Things just cannot be left to the free market. Previous changes in road tax certainly led me to select a hybrid electric vehicle as a company car—the tax was lower—but for others diesel cars are currently more financially accessible and are seen as having great mileage coverage. We know, though, that the flip side is that diesel vehicles cause the highest pollution in terms of particle emissions. That is further proof that a better long-term strategy is required.

**Mr Andrew Turner (in the Chair):** Order. Are you about to finish your remarks?

**Alan Brown:** Yes. Sorry, Mr Turner.

It needs to be about more than just cars. The Scottish Government have led the way—Aberdeen now has Europe’s largest fleet of hydrogen-powered buses—and are working towards a low-carbon economy, as the UK Government should be. This debate is related to renewables targets, which have not been helped by the removal of subsidies for renewables. Finally, if the use of electric vehicles increases, we need a regulatory framework for their maintenance and a qualification regime for the technicians who will be working on them. A 500 V hydrogen cell battery cannot be tinkered with lightly.

**Several hon. Members rose—**

**Mr Andrew Turner (in the Chair):** Order. Members should note that three people are down to speak and they have until 5.10 pm, when I shall call the Front Benchers. I am sure Members can work it out for themselves.

4.56 pm

**Rebecca Pow** (Taunton Deane) (Con): I commend my hon. Friend the Member for Tiverton and Honiton (Neil Parish) for bringing this important subject to our attention. As a member of both the Environmental Audit Committee and the Environment, Food and Rural Affairs Committee, which my hon. Friend chairs, I have been involved in two air-quality inquiries. The statistics are absolutely stark. We have to take action to improve air quality, not only on environmental grounds but very much on health grounds. Something like 40,000 to 50,000 people die every year because of air pollution, which is absolutely shocking.

I commend the Department for Environment, Food and Rural Affairs for taking steps towards a clean air strategy. I welcome that, but we need to do a lot more. In this brave new post-EU world, I urge the Government to bring all that legislation on air pollution back here under our own hat and keep to all the stringent targets that have been set. I am sure the Minister will take that on board because it is really important.

Even in Taunton Deane we have two serious air pollution hotspots. I know the Minister will be interested to hear that one is on the A358—a road the upgrade of which we are desperate for and the Minister has assured me we will get—at Henlade. The upgrade we are hoping for should help to tackle the congestion. The other hotspot is in East Reach. Such problems do need to be tackled, which is where this debate comes in.
[Rebecca Pow]

Electric and hybrid cars will really help—some are totally emission-free—but we need to encourage people to drive them. A Department for Transport survey showed that only 5% of people in the UK drive an electric car. The survey also found that 56% of people had never even thought about buying an electric car, so we have a long way to go and need to spread the message further.

What is the way forward? We need financial incentives and many of the things referred to by my hon. Friend the Member for Tiverton and Honiton has raised it today. As a result of my raising it with the hon. Friend the Member for Tiverton and Honiton has way? In these rural areas, there are no charging points. I will get back or not because I cannot charge it up on the bike shop, but sadly that is it. How can we expect people to go electric would never face the threat of running out of power mid-journey? Does the hon. Lady accept that to provide charging points, so that anybody who decided to go electric would never face the threat of running out of power mid-journey? Does the hon. Lady accept that point?

Rebecca Pow: Thank you, Mr Chairman; I am absolutely about to draw my remarks to a close.

Electric and hybrid cars are a great way forward for a new and sustainable future. I fully support my hon. Friend the Member for Tiverton and Honiton, and I really hope that the Minister is going to think about some of the incentives. Get sparky about this and get electrically charged.

Mr Andrew Turner (in the Chair): Order. Can you please draw your remarks to a close?

Rebecca Pow: Will the hon. Lady give way?

Douglas Chapman: Will that give me more time?

Rebecca Pow: Will that give me more time?

Douglas Chapman: On the subject of charging, there is currently no requirement for local authorities to provide electric charging points. Although it would be useful to receive revised guidance from the Minister, would it be preferable if local authorities were obliged to provide charging points, so that anybody who decided to go electric would never face the threat of running out of power mid-journey? Does the hon. Lady accept that point?

Rebecca Pow: I thank the hon. Gentleman for raising that matter because I was about to move on to it. It is such an important point and other people have already referred to it. In Taunton Deane, for example, I was involved in the launch of the first ever charging point. That was in 2012 and it was at Hestercombe Gardens, which is now an internationally famous landscape and gardening site. The person launching that charging point? The very first all-electric car; he was driving the very first all-electric car; he was trialling it.

Although that was a great start, there is a dearth of charging points in my constituency. There are some at the park-and-rides and I think there is one at an electric bike shop, but sadly that is it. How can we expect people to buy these cars if they are uncertain about whether they can get from A to B? For example, on Friday I am venturing to Dorset to talk about ancient trees, but how can I set off in an electric car if I do not know whether I will get back or not because I cannot charge it up on the way? In these rural areas, there are no charging points.

This is a really big issue, but I am delighted that my hon. Friend the Member for Tiverton and Honiton has raised it today. As a result of my raising it with the leader of my council, he has realised that it is a big issue and he is now feeding it into the new district centre plans and future transport strategy to ensure that the council addresses the issue, because it is really important.

I will end with a few upbeat facts about electric and hybrid cars. I went to the test of the car in New Palace Yard the other day and it was absolutely fascinating. I thought the car was quite trendy and state-of-the-art. I could see myself in it; it was rather lovely.

A lot of these models are well-built and designed to last; they are not throwaway culture, like a lot of our other cars. They are all about miles, so they have less impact on the environment, consideration of which I am particularly keen to encourage. Many of the models are designed to be built locally, so we could have them built in our own constituencies. They are not exactly kit cars, but we could bring back the industry and make it local. In our brave new post-EU world, perhaps we will have to think about that, rather than being quite so tied to the German car industry. There could be great mileage in that idea.

Electric and hybrid cars are a great way forward for a new and sustainable future. The Minister for Tiverton and Honiton, and I really hope that the Minister is going to think about some of the incentives. Get sparky about this and get electrically charged.

5.2 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in this debate and I congratulate the hon. Member for Tiverton and Honiton (Neil Parish) on securing it. He does excellent work in the other Committees that he chairs and it is good to know that he is also knowledgeable about electric cars.

In the very short time that I have, I will make a few comments. The global race to get ahead in the hybrid car game is really heating up. An example of that, as the hon. Gentleman said, is the hydrogen car that we had show what other countries are doing in the race to consolidate the electric and hybrid cars industry. Some of them are from the EU; I have to say that I am glad that we are out of the EU, but I know that we cannot ignore the very important things that are happening within the EU. The German Government are giving a €1 billion subsidy to boost electric cars. There is a €4,000 incentive for each electric car, with a €3,000 incentive for a plug-in hybrid car. At present, there are 50,000 electric cars in Germany, but they hope to increase that figure. German automotive companies such as Volkswagen, Daimler and BMW have signed up to a programme that is open to all German brands and foreign brands.

The Netherlands is another country that has done a lot, although I have to say, in all honesty, that some have perhaps been a bit extreme. They were trying to vote
through a motion calling on the country to ban sales of new petrol and diesel cars, starting in 2025. That has not succeeded—at long last there is some sense when it comes to passing legislation—but the fact that they were considering that is an indication of how far they are prepared to take these matters.

Record numbers of electric vehicles continue to be sold in the UK year on year. In the last five years, more than 60,000 plug-in models have been registered. I say this to the Minister: credit where credit is due. The Government’s “Go Ultra Low” scheme estimates that by 2027 electric-powered cars could dominate the market. I am not entirely convinced by that, but that is what the stats seem to indicate, with some 1.3 million sold every year. If that is the case and if that is what the Government are aiming at, it would be good news.

Rebecca Pow: Will the hon. Gentleman give way?

Jim Shannon: I am sorry, but it would be unfair on the hon. Member for Wells (James Heappey), who is following me.

The Government-backed plug-in car grant scheme has been instrumental in giving buyers an incentive to switch to electric power. I am conscious of the time, Mr Turner, so I will make this my last point. I have said this before in questions to this Minister and others with responsibility for the issue—I think another hon. Member also referred to this in an intervention—but what I want to know is: what comes first? Is it the plug-ins and the charging points or is it the new cars? They both have to go together. What comes first, the chicken or the egg? They have to go together, so let us look at that.

We cannot do it in Newtownards or in Northern Ireland, even though the Government have given a large amount of money to Northern Ireland through the Assembly to incentivise the process. I welcome that, but if we really want to do things in a constructive way, we need to have the charging points in the streets, to incentivise us as vehicle drivers to want to have an electric car, because we know it will get us from here to Coleraine and back or from here to Belfast. If we can do that as cheaply as the hon. Member for Taunton Deane (Rebecca Pow) suggested, I believe that is something we should do.

5.6 pm

James Heappey (Wells) (Con): I congratulate my hon. Friend the Member for Tiverton and Honiton (Neil Parish) on securing this debate.

I am enthusiastic about electric vehicles but realistic about the pace at which they can be rolled out, so while I will of course talk about the digitised and electrified nirvana that awaits, it is important to recognise that biofuels will probably need to do the heavy lifting in the meantime, as we try to meet our decarbonisation targets on the roads. I want to talk briefly about three areas of Government policy: fuel duty, low-carbon generation capacity and the preparedness of our energy system.

On tax, road duty is worth about £27.2 billion a year, which is about 4% of the Exchequer’s money. That is a significant amount of money that Her Majesty’s Treasury will not be ready to give up in a hurry. As far as I can work out, there are just over 30 million cars on the road, driving just under 400 billion kilometres a year, which means an average of about 13,200 kilometres, 760 litres of petrol and therefore about £460 of fuel duty per vehicle. The big challenge for the Department for Transport is to work out how that £460 of fuel duty per vehicle can be transferred to some other tax, be that car tax—although then we could be talking about paying £500 or £600 of car tax per vehicle—or a road pricing scheme. However, there is no way that I can see the Treasury giving up that tax take all together, so surely the DFT has a plan for what might go in its place.

On generation capacity, Bloomberg envisages that, on current expectations, by 2040 electric cars will require about 1,900 terawatt-hours of electricity around the world. That represents about 10% of what we are currently generating globally. That is quite a challenge, because the easiest thing to do is to build gas-fired power stations or, worse, coal-fired stations to meet that increased requirement for generation immediately. However, then we would not actually be achieving any sort of decarbonisation, because the cars would be charged with electricity that has been produced from dirty fuels, which are potentially more polluting and send more carbon into the atmosphere than using some modern petrol engines.

Therefore, we need to be focused on creating the renewable generation capacity to meet that increase in demand. However, people will want to plug in their car and charge it when it needs to be charged. They will not be willing to do so only when the wind is blowing or the sun is shining, so in parallel with embracing the opportunities provided by EVs, we need to ensure that we are considering the opportunities for storage of power and demand-side response within our energy system, so that renewables can be made to work.

Finally, on the preparedness of our energy system, Ofgem’s “My Electric Avenue” trial has demonstrated that there are significant limitations in the ability of our current distribution networks to provide charge, particularly when cars are clustered. As I understand it, around 30% to 40% of our energy system would immediately need to be improved if we are to make sure that charging is realistic. This is not just about the number of charging points; it is about the ability of the energy network behind those charging points to carry the energy to the required areas so that cars can be charged.

The Secretary of State has been to see the Energy and Climate Change Committee, on which I sit, on many occasions, and she has told us of a mythical cross-departmental Cabinet-level working group that is working on all these things. We have pushed her quite hard on who sits on it, how often it meets and where we can see the minutes of those meetings, but they do not seem to be forthcoming. Will the Minister reassure us that the Department for Energy and Climate Change, the Department for Transport and the Treasury are working on these issues in parallel? If he can give us an update on any of the issues I have raised this afternoon, that would be helpful.

5.10 pm

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): It is a pleasure to serve under your chairmanship for the first time, Mr Turner. I congratulate the hon. Member for Tiverton and Honiton (Neil Parish) on bringing this important subject for debate today. I agree with a lot of what he said. This is an opportunity
for us for the future. I also reflect his ambition to see electric cars going up dualled carriageways. In my constituency, I am delighted that the Scottish Government are investing in dualling the A9, and I am looking forward to seeing electric cars on it soon. He is also right about the contribution of clean air and carbon reduction and mitigation effects. He is also right to call for faster action. There is an imperative to move more quickly to ensure that more people can take advantage.

My hon. Friend the Member for Kilmarnock and Loudoun (Alan Brown) talked about the impact of energy policy on the ability to use these vehicles, which I will come to. He was right to point out that Scotland has 15% of UK rapid chargers. We are punching above our weight, as he said. He made an important point about ensuring that there is some maintenance regulation. The safety of people working on these vehicles—the kind of voltages that these vehicles carry have the potential to kill instantly—must be a priority going forward.

The hon. Members for Taunton Deane (Rebecca Pow) and for Strangford (Jim Shannon) rightly talked about infrastructure being vital. If we are to encourage the use of such vehicles, we have to see infrastructure coming forward. The hon. Member for Wells (James Heappey) was absolutely correct that the journey is not only for electric vehicles; alternative fuels will be involved, and I will touch on that if I have a moment or two. I do think, however, that it is a bit of a stretch of the imagination to ask the UK Government to come up with a plan for these things.

The Scottish Government have an ambitious climate change target that includes phasing out all petrol and diesel-fuelled vehicles by 2050, although I am sure we will continue to see classic car events to look at the history. The electric vehicle road map, “Switched On Scotland”, which was published in 2013, sets out the Scottish Government’s ambitious vision to free Scotland’s towns, cities and communities from the damaging emissions of petrol and diesel-fuelled vehicles by 2050. This year has already seen the introduction of more than 200 electric vehicles across Scottish local authorities.

To support the delivery of that vision, the Scottish Government have invested more than £11 million since 2011 in the development of ChargePlace Scotland—a network of more than 900 publicly available electric vehicle charging bays. We are also supporting electric vehicle uptake through our “Switched On Fleets” initiative, which offers free, evidence-based analysis of public sector fleets, in turn identifying new opportunities for the cost-effective deployment of electric vehicles. A total of £2.5 million of grant funding is being offered to each of the 32 community planning partnerships between 2014 and 2016 to help them to buy or lease electric vehicles. Through that scheme, we expect to introduce more than 250 new electric vehicles into the public sector fleet, reducing fuel use and emissions in the process.

The “Switched On Scotland” road map focuses specifically on battery electric vehicles and plug-in hybrid vehicles, which are collectively referred to as plug-in vehicles. Electric vehicles have a positive impact on health, wellbeing and the environment. They can help to reduce greenhouse gas emissions, improve local air quality and reduce noise pollution. In Scotland, a third of all car journeys are less than two miles long, and nearly a quarter of all trips are one mile or less. Regular cars making those journeys emit a disproportionate amount of carbon into the air, whereas electric vehicles provide a cleaner method of transport.

I do not have time to go into all the issues, but I want to point out that the Scottish Government have been a key funding partner, along with the European Union, in the Aberdeen hydrogen project, which has seen Europe’s largest fleet of hydrogen-powered buses entering service on two routes in the city. As has been mentioned, we fully intend to reflect Scotland’s overwhelming democratic vote and retain our EU status, and we look forward to continuing that into the future.

Electric vehicles require power to run them, and the Scottish Government have done an incredible amount of work to ensure that renewable energy powers 100% of our energy use by 2020.

Mr Andrew Turner (in the Chair): Order.

Drew Hendry: I am just coming to the finish, Mr Turner. That work is not being helped by the Tory Government’s policies on renewable energy. They need a rethink.

5.15 pm

Barry Gardiner (Brent North) (Lab): It is a great pleasure to serve under your chairmanship, Mr Turner. It is also a great pleasure to respond to the hon. Member for Tiverton and Honiton (Neil Parish), who was as perspicacious as ever in introducing the debate. He has been plugging away at this issue for quite some time—no pun intended. I also welcome the contributions of the other Members who have spoken, particularly the sheer enthusiasm of the hon. Member for Taunton Deane (Rebecca Pow) and the analysis of the hon. Member for Wells (James Heappey), who made an important contribution to the debate.

The 60th anniversary of the Clean Air Act 1956 came this week. The hon. Member for Taunton Deane was absolutely right to refer to the number of people who die from polluted air in this country—the figure is 52,500 per annum. If that was the number of people dying from road accidents each year, the Minister would not still be in his place. The Government would have a crisis on their hands, and they would have had to respond, but because air pollution is a silent killer it has not got real traction in government.

I welcome the opportunity that this debate gives us to raise the issue up the agenda, particularly since the Mayor of London launched his air quality campaign on the landmark occasion of the 60th anniversary of the Clean Air Act. The former Mayor of London, sometimes known as the former future leader of the Conservative party, pledged in May 2009 that 25,000 charge points would be installed across the capital by 2015. The actual figure today is fewer than 1,000. In fact, the Government have said that they are committed to “ensuring almost every car and van is a zero emission vehicle by 2050.”

I welcome that, but a target without a plan is just a wish, and so far the Government do not have a plan.
The Committee on Climate Change’s progress report to Parliament last week showed that the UK is set to miss its legal climate commitments for the 2030s by 47%. That is a staggering shortfall. Boiled down, the reason is that outside the power sector there has been “almost no progress in the rest of the economy”.

One of the principal reasons that the committee gives for that slow progress on decarbonising is the lack of progress on decarbonising transport. It says that “improved vehicle efficiency has been offset by increased demand for travel as the economy has grown and fuel prices have fallen.”

The committee notes the progress on funding being made available for electric vehicles up to 2018, but highlights that there are no vehicle efficiency standards beyond 2020. The long-term target of 2050 is simply hot air without a medium-term delivery plan.

I want to respect the Minister’s time, so I will move over a number of comments that I wished to make, but I will pick up on the important points that the hon. Member for Wells made about the structure of the network and the importance of capacity. He is absolutely right in what he said about power generation—there is no point in running clean cars on dirty fuel.

The interesting point about battery technology is that it is now moving on at such a pace that the modular packs will be able to be fitted to the properties and, if we have a disaggregated grid, localised solar and wind will feed into each house when it is being produced and into the modular pack. Those packs can then be used to charge the vehicles overnight in the home. We are moving to a structure in which that is possible, but it requires the Minister to do precisely what he was challenged to do by the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) with the mythical inter-ministerial group on clean growth. Will the Minister speak with his colleagues across Government to make sure that there is an integrated solution and not simply a transport solution?

5.20 pm

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): I congratulate my hon. Friend the Member for Tiverton and Honiton (Neil Parish) on securing the debate and on imaginatively including the duelling of the A358, the A303 and the A30 in his speech. It is great to see the level of enthusiasm for electric vehicles. They can deliver a huge environmental benefit for our country and secure the future success of one of Great Britain’s great leading industries. That is why we are committed to positioning the UK as a world leader in electric vehicle uptake and manufacture.

As colleagues have articulated, electric vehicles deliver many benefits. We are all aware of the air quality challenges in our towns and cities. We will introduce clean air zones in five cities to urgently tackle the worst locations, encourage greener transport and introduce targeted access charges where necessary. We have already seen some changes made by the new Mayor of London, such as the ultra-low emission zone.

The UK is not alone in addressing the environmental impacts of road transport. Action is taking place on a global basis to compel manufacturers to bring forward an increasing choice of cleaner and more efficient vehicles, to meet growing consumer demand and expectations. Our automotive sector has a great history of innovation, and we are seeing some of that now. With the help of a strong domestic market, we are in a great position to benefit from global demand for electric vehicles as the transition takes hold in the coming years.

A number of Members have mentioned the referendum. Let me be clear that our determination on electric vehicles and standards is not in any way changed by the result of the recent referendum. The drivers of transition to zero emissions are global in nature and will continue to apply regardless of our place in Europe.

The benefits of electric vehicles include securing the manufacturing of the future and health benefits. Let me run through the actions that we are taking. In our manifesto, we committed to the goal that by 2050 nearly every car and van on our roads should be a zero-emission vehicle. That will require all new cars and vans on sale to be zero-emission by around 2040. We have in place one of the most comprehensive support packages anywhere in the world, with committed funding of more than £600 million in this spending review period. Progress to date puts us in a very encouraging position. Vehicles that used to be exotic are now considered commonplace on our streets. In total, about 28,000 ultra-low emission vehicles were sold in the UK last year, which is more than in all the years since 2010 combined. We have had more than 70,000 claims for our plug-in car and van grants. I am particularly pleased that many of those vehicles are manufactured by Nissan at its Sunderland plant, which last year produced 20% of all electric cars sold in the EU.

A number of colleagues have spoken about the importance of charge points. There is an ever-expanding network of charge points for electric vehicle drivers. We have more than 11,000 public charge points, including 850 rapid charge points—the largest network in Europe.

I note the comparisons with Norway. Norway’s record is very impressive, and we work with the Norwegians and other leading markets. Our £40 million city scheme will introduce some of the measures that have been mentioned, such as bus lane access, free parking and rapid charging hubs. It is also worth noting that Norway has very high levels of vehicle taxation, which I am not generally in favour of. Many colleagues have spoken about that today.

There are 60,000 domestic charge points, which offer the cheapest and easiest way to charge up. Latest statistics suggest the average distance to the nearest charge point is just over 4 miles in Great Britain. I want to increase that density and reduce the distance even further.

One of the most important measures in support of electric vehicles is the plug-in car grant scheme, which provides a direct discount to consumers on the cost of an eligible plug-in car or van.

Barry Gardiner: On that point, will the Minister give way?

Andrew Jones: No, I am running short of time.
The grant currently stands at £8,000 for vans, £4,500 for pure electric vehicles and £2,500 for plug-in hybrids. We are spending at least £400 million on the scheme in the current spending review period, and with further incentives through the tax system, there are clear financial benefits to assist consumers with the up-front costs of electric vehicles.

The initial provision of charging and hydrogen refuelling infrastructure for electric vehicles, which many Members have spoken about today, is also something with which the Government must assist. Continued growth is possible only if the public have confidence in the infrastructure network. As my hon. Friend the Member for Wells (James Heappey) and the hon. Member for Strangford (Jim Shannon) asked, what comes first, the car or the charge point? It is neither—we have to do both. That is the Government policy: doing both in parallel, to address the consumer concern. Drivers expect reliable, affordable, available and easy-to-use infrastructure.

The good network that we have in place has already been supported with more than £30 million of investment in public charge points since 2011. The electric vehicle homecharge scheme offers drivers £500 towards the cost of a private home charge point. There are public charge points in Parliament and two charge points in Downing Street. The ministerial fleet was mentioned. There are four UK-built Nissan Leafs in that fleet and many more across the public sector, and an initiative is in place to increase that number.

Highways England has a £15 million budget to ensure that there is a charge point every 20 miles across 95% of the strategic road network, which should be a rapid charge point if possible. As vehicles’ ranges increase and infrastructure provision grows, it will be increasingly easy to travel the length and breadth of the UK in an electric vehicle.

Hydrogen vehicles have been mentioned. It was interesting to see the Riversimple vehicle, brought to Parliament in partnership with my hon. Friend the Member for Brecon and Radnorshire (Chris Davies). I had previously met representatives of the business at the London motor show. We are technology-neutral and I see hydrogen fuel cell electric vehicles playing an important role in decarbonising road transport. Because we are technology neutral, I prefer to talk about ultra-low emission or zero-emission vehicles rather than electric vehicles. The Government are providing £5 million to help develop 12 hydrogen refuelling stations to support the roll-out of fuel cell vehicles. All 12 stations are being commissioned this year and will provide a significant step in the refuelling network.

Working with eight leading car manufacturers, our “Go Ultra Low” communications campaign has started to address the attractiveness of these vehicles. Nobody has mentioned that they are quite fun to drive. The driver puts their foot down and there is power; there is no delay. That is a key part of the attractiveness message.

Our agenda is about tackling the infrastructure, providing incentives to purchase and communicating the benefits. Colleagues have raised many questions, including about duty. Mercifully, that is a question for the Treasury, but I will highlight Members’ concerns. These issues are being discussed at cross-departmental groups, particularly with the Department of Energy and Climate Change, because it is clearly understood that we only really see the benefits of moving to electric vehicles if we have sustainable power generation.

There are benefits that can be brought by different parts of local and national Government, including the “Go Ultra Low” city schemes—I am visiting Milton Keynes tomorrow. It is not a question of local government or national Government. It is a question of partnership, and using all our available levers to deliver these fantastic products.

I hope I am as enthusiastic about this agenda as colleagues have been throughout this debate, which has been great to see. This is an important part of our transport mix. We can see what the future looks like: it is connected and autonomous vehicles powered by electric motors. We can see the benefits to the public in air quality, cost and congestion. I want those benefits to come to people in this country as quickly as possible, which is why we have an attractive and powerful set of initiatives to deliver that.

Question put and agreed to.
Resolved,
That this House has considered electric and hybrid electric cars.

5.29 pm
Sitting adjourned.
Jim Shannon (Strangford) (DUP): I beg to move, That this House has considered blood cancers and the Cancer Drugs Fund.

It is always a pleasure to come to this Chamber and have the opportunity to expound on the subjects that we bring here for consideration. I am pleased that so many hon. Members have made the effort to attend on a Thursday afternoon—often referred to as the graveyard shift. I am not sure that is entirely accurate or fair, but we thank very much those who have made the effort to be here. It is also a pleasure to see in her place the shadow Minister, the hon. Member for Hackney North and Stoke Newington (Ms Abbott), and I look forward to hearing the Minister. He and I always seem to be in these debates—if he is here I am here, and if I am here so is he—but it is always a pleasure to see him. We look forward to his response to the points that we make during the debate.

Cancer is a massive issue. It will affect one in every two people we meet, and many of us here have a personal interest in the subject. More and more people are surviving cancer because of the incredible work that has been done by the pharmaceutical industry and private enterprise, and also because of the work done in partnership with universities. Queen’s University Belfast is involved in finding new drugs and working with private enterprise, the Government and the education system to find ways of doing more.

The fact that more people are surviving and living longer is to be celebrated, but unfortunately not everyone is living well, which is what this debate is about. That is especially true for people with blood cancers, many of whom will live with the disease and the consequences of its treatment for many years. Some of them are fortunate to do so, but for many that will be time limited. About one in four people living with or beyond cancer face disability or poor health following their treatment. Evidence from Macmillan shows that by 2020 nearly one in every two people will receive a cancer diagnosis in their lifetime. Just look round this Chamber: half the people here today will receive a cancer diagnosis at some time during their life; or, if they are not affected directly, their families certainly will be.

I place on the record my thanks to the cancer charities, Marie Curie Cancer Care, Macmillan Cancer Support and the many others, which do such marvellous work with those who have cancer. Right now, routine follow-up care for people with cancer costs about £250 million a year. It is usually delivered via a one-size-fits-all medical model that is based on repeat out-patient consultations despite a lack of evidence to show that that is effective, so we must also look at that.

I was therefore pleased to see the commissioning guidance released recently to promote the roll-out of a recovery package for everyone with a cancer diagnosis. The recovery package will be especially important for patients with blood cancers, because it will mean that they get the physical, emotional and social support they need to lead as healthy and active a life as possible for as long as possible. Every one of us in this Chamber would wish that to happen. Many people with blood cancers live for a number of years with the consequences of their disease and treatment, so there needs to be a commitment from the Department of Health that everyone with a blood cancer will be offered tailored support.

Let me talk from a personal point of view. My father had cancer on three occasions. He passed away last year. He did not die because of cancer, but he was diagnosed 39 years ago—38 years before he passed away—and my mother was told to go home and prepare and get the estate sorted out. In other words, there was next to no hope, but my dad survived, and he survived for three reasons. He survived, first, because of his faith and the prayers of God’s people; secondly, because of the skill of the surgeon’s knife; and thirdly, because of the care of the nurses. Those three things are vital for all of us. That is an example of how far we have come in those 39 years.

Patients with blood cancers can face significant problems in accessing vital treatment because of the difficulties and complexities of appraising medicines in this area. I thank the charities and others who have given us background information. I will not do this of course, but I could probably speak for three hours on this subject. I am sure that people are thinking, “Well, I hope he doesn’t.” I am not going to, because clearly I want to give everyone an opportunity to participate in the debate.

The appraisal system used by the National Institute for Health and Care Excellence is not suitable for assessing medicines that treat conditions with small patient populations—in other words, cancers that affect a small number of people. Perhaps in the greater scheme of things, they are numerically small, but it is vital that the drugs are available and in place.

At this point, I pay special tribute to the hon. Member for Crawley (Henry Smith), the chair of the newly brought together all-party group. I thank him for going with me to the Backbench Business Committee to ask for this debate. We are both pleased to be able to have the debate so early after the launch of the APPG. The hon. Gentleman will speak himself, but it is a pleasure to work alongside him.

Nic Dakin (Scunthorpe) (Lab): I congratulate the hon. Gentleman on securing this very important debate. The issue of small populations and finding the right treatments is crucial as the cancer drugs fund goes forward within the NICE context. That is an opportunity as well as a threat. I hope that the hon. Gentleman will reflect that in the rest of his speech.

Jim Shannon: It is always a pleasure to have the hon. Gentleman come along to a debate in support. He always does so, and his valuable contributions are always appreciated by us all. I wholeheartedly agree with him.
The way the system fails blood cancer patients can be illustrated via the case of ponatinib, a drug designed to treat chronic myeloid leukaemia patients who are resistant to or intolerant of other treatments. I will elaborate on this point later, for it is very important. I think that the hon. Gentleman has grasped that it is a vital issue as well. The drug is fully available to all CML patients in Scotland and Wales, but in the remainder of the United Kingdom it is provided on the NHS only to a small subset of patients who can benefit from it after NICE refused to appraise it because of the small patient population. One of the questions that we would like answered in this debate if possible—I am not sure whether the Minister is the right person to answer it, but I know that if he is not, he will certainly direct it to the right Department—is how we ensure that there is not a postcode lottery when it comes to the allocation and availability of cancer drugs.

**Peter Dowd (Bootle) (Lab):** I thank the hon. Gentleman for securing the debate. Does he agree that parents—in my case, the parents of nine-year-old Charlie Fears—are confused, distressed and dismayed that they are not provided with the medical intervention that they need to treat their child’s illness? Charlie needs chimeric antigen receptor T-cell therapy, but Mr and Mrs Fears are having to find as much as £150,000-plus to fund the therapy themselves. Does the hon. Gentleman agree with me that that extra burden, in their circumstances, is far too onerous?

**Jim Shannon:** I thank the hon. Gentleman for his intervention and for that personal story. I think that that situation is a disgrace. Any of us in the House would wholeheartedly agree with him. There has to be a system that enables all the people of the United Kingdom of Great Britain and Northern Ireland to partake of, use and access these drugs. The example he gives shows just where the current system falls short. This debate gives us an opportunity to highlight that and to seek the solutions that he and his constituents want.

The situation with ponatinib has resulted in the equivalent of a postcode lottery in patient access across the UK, with some patients having to move to Scotland or Wales to undergo treatment. Why should they have to move? It is not fair that they should. It seems grossly unfair that they should have to either move or travel to the hospital. For these patients, the drug could be an alternative treatment to a stem cell transplant, and a last chance of survival.

The systems of appraisal used to assess blood cancer medicines need to be able to take into account the small patient numbers and the issues that that raises about the amount and maturity of data available, to ensure that all patients who need access to medicines do not miss out because of where they live.

Chronic lymphocytic leukaemia is the most common type of leukaemia, a cancer of the white blood cells. In leukaemia stem cells start to overproduce white blood cells that are not fully developed; in CLL, these are called lymphocytes. Figures from Macmillan and the NICE estimate that some 2,700 to 3,200 people in the UK are diagnosed with CLL each year, with most cases occurring in people over 60 and very few in people under 40. Around two thirds of the diagnoses are made by chance through a routine blood test with doctors; people do not know they have it and all of a sudden they find out they do. The other third of diagnoses are made following visits to the doctor for CLL-related symptoms: enlargement of the lymph nodes, liver or spleen, anaemia, bruising or fever, drenching night sweats and/or weight loss of greater than 10%. Someone with any of those symptoms should see their doctor, and do so soon.

CLL is more prevalent in men, with recent studies showing that some of the risk of developing it is inherited from parents. One in 20 CLL patients has a relative with CLL or a very similar condition; however, CLL can and does affect anyone.

**Mr Nigel Dodds (Belfast North) (DUP):** I commend my hon. Friend for raising this issue today. In Northern Ireland three people every day are diagnosed with blood cancer. I am sure he would agree with commending the work of Leukaemia & Lymphoma NI, the only charity in Northern Ireland dedicated to dealing with this, and the great support it gives to the Centre for Cancer Research and Cell Biology at Queen’s University, which he has already mentioned. Without the dedicated work of people in charities like that across the country, raising money for absolutely vital research, we would be in a much poorer place indeed.

**Jim Shannon:** I am indebted to my right hon. Friend and colleague for that intervention. We have done, and we continue to do, many great things in Northern Ireland in medical research, charitable giving and charitable operations. He has rightly highlighted an organisation in Northern Ireland that does just that. It is worrying that we have so many people with blood cancer. When we take that as a proportion of a nation of 1.8 million, it gives an idea of just how important it is.

CLL tends to develop very slowly with many people not requiring treatment for months or even years, although others need it straight away. For all stages of CLL, more than 40%, of men and more than 50% of women will survive for five years or more after being diagnosed. At stage A, which is the earliest, people survive on average for 10 years or more after diagnosis, those at stage B for five to eight years, and those diagnosed at stage C live for up to three years. From those figures, life expectancy is very clear: people have a diminished lifespan.

Doctors often recommend against immediate treatment for CLL if it is diagnosed at an early stage and opt to watch and wait. I am concerned that sometimes they need to be more proactive andceptive to what the issues are at the time. “Watch and wait” can be stressful for those diagnosed and their families, but early treatment can lead to exposure to the side effects of drugs without achieving significant benefits, as well as to increased life insurance premiums. Sometimes we have to look at the other things that affect us when our health declines, such as work and financial obligations, or how to feed our family. That adds to the stress.

Patients whose CLL relapses early have a more aggressive form of the disease and it is essential that clinicians have a range of treatment options available to suit individual patient need. That is due to factors such as the variable course and nature of the disease, the toxicity profile of the therapies and the comorbidities, which are more prevalent in this situation. There is a general poor
understanding of the need for a variety of treatment options. Again, knowledge of the blood cancers among GPs, the NHS, consultants—those who should know—perhaps needs to be improved as well.

Stakeholders including the CLL Support Association, which has done great work collecting much of this information, have two key areas in which they have workable recommendations to make a difference. For post-diagnosis support the CLLSA believes that because CLL behaves in such a diverse way, it is important that patients and their families are provided with accurate information from trusted sources. Each hospital should have a CLL nurse who can provide patients with useful written information that contains links to websites for those who wish to know more.

Let us be honest; people who get this diagnosis want to know as much about the disease and the problems that they have right away; they want to have that knowledge and information right there. As the hon. Member for Bootle (Peter Dowd) said, citing the personal experience of his constituents, they want to know what it means, how to react, what the survival chances are and how long. All those things play upon the mind; they are very important issues.

When it comes to access to new treatments, a second preliminary decision from NICE in June 2016 has provisionally rejected ibrutinib for NICE guidance to treat relapsed refractory and 17p deletion or TP53 mutated CLL. That group of patients have a poor prognosis and very few options available to them. The manufacturer has been requested to submit a proposal for consideration of CDF listing for access to treat adults for the 17p deletion or TP53 mutation only. Again, that is something that perhaps the Minister can reply to. When people see that they can access new treatments, which really could be life-saving, they want to have them right away and want to try them. In many cases, people probably would not mind piloting those things, just to make sure that they can have life expectancy on the timescale they have been given.

The CLLSA feels that ibrutinib should be made available to both groups because both populations share a number of similarities in patient need, including a significant symptom burden, limited alternative treatment options, and subsequently poor survival prospects. As both groups have a similar symptom burden, it is unfair that they will be unable to benefit from access to this treatment. There are also the quality of life benefits. CLLSA argues that the quality of life benefits reported by patients have not been adequately considered by NICE. As such, the cost-effectiveness of ibrutinib is likely to have been underestimated. Many of us believe—in the background information—that it certainly is a drug that could do more if there was the opportunity. We need to make sure that it can be made available and accessible.

Furthermore it should be noted that CLL is a heterogeneous disease, so there is a need for multiple options in every situation. I know that each person’s individual circumstances are different and the GP and consultant who look at that will decide the way forward. Some patients may not respond to, be unable to tolerate or be otherwise unsuitable for alternative treatments such as idelalisib. As such, there is a clear need for access to ibrutinib to enable patient and clinician choice, so that treatment can be tailored to patients’ individual clinical needs. Ultimately the decision will remain a matter for NICE, but this is what the key stakeholder in CLL believes to be the way forward. That is an organisation that has been run by trustees who are either from CLL, are clinicians or are relatives of those with CLL. They do their research, not for glory or riches, but for what is best for those affected.

Some of the background information we had relates to brentuximab—I hope my pronunciation is right. That is hailed as one of the most effective single agents for relapsed anaplastic lymphoma—or Hodgkin’s lymphoma as it is better known. It was delisted after two of its indicators were removed, making it harder for some patients to receive the medicine they need. In November 2015, the Blood Cancers Alliance met the Secretary of State for Health and in a letter to the Prime Minister expressed its concern over the delisting of life-saving drugs from the CDF. There is a drug that was delisted and that seemed to be doing the job; it is concerning that it has been removed when it quite clearly could have made a difference.

It was greatly encouraging to have so many stakeholders engage on this issue and time will not permit me to pay tribute to all of them. Another organization working in the field is Celgene, which has provided some further information that will add to the debate. Five conditions account for almost 70% of the total lives lost to blood cancer: myeloma, diffuse large B-cell lymphoma, acute myeloid leukaemia, myelodysplastic syndromes and the aforementioned chronic lymphocytic leukaemia. New treatments have transformed survival rates for multiple myeloma since the 1970s and there have been great steps forward. I know that when the Minister responds he will tell us some of the good things that have happened, but average life expectancy for a patient diagnosed with multiple myeloma is still only five years. This debate gives us the chance to discuss the issue and get some direction and focus from the Minister on how we move forward and achieve a better, longer life for those with blood cancers.

Continued progress is only possible with continued research and investment. That is critical to achieving progress in the treatment of blood cancers. We have had many debates in Westminster Hall on rare diseases because we acknowledge the need to focus on rare diseases, and today’s debate is an example of that. The numbers of people who fall into the category of having rare diseases are small, but we must not ignore the burden of their despair and what that means.

Many of the molecules in other companies’ pipelines are being studied in combination with Celgene’s treatments. Ceasing access to those treatments will seriously hinder progress in increasing survival rates and limit future innovation. I know that the Minister, like everyone in this Chamber today, is totally committed to finding new drugs that can cure these life-threatening diseases, as I am sure he will make clear in his response. The point is that a balance needs to be struck between regulation protecting people and allowing innovation.

In conclusion, I am pleased to have the opportunity to express in this Chamber my concern on behalf of those with blood cancers. I thank all hon. Members who have come to participate. Our responsibility as elected representatives is to put the case on behalf of our constituents. I believe we have the opportunity to make a difference for those who many years ago would
not have a long life, but who today could have a longer life if they had access to the cancer drugs fund. What we have in the United Kingdom of Great Britain and Northern Ireland is people with fantastic brains who have the ability to come up with new medications and who can make these things happen. I look forward very much to the Minister’s response.

1.52 pm

Maggie Throup (Erewash) (Con): It is a pleasure to serve under your chairmanship, Mr Walker. I feel I should start by making a confession: I am probably one of the few Members of Parliament who can look down a microscope at a blood sample and identify a blood cancer, whether it is a chronic or acute leukaemia, lymphoma or a myeloma. I began my working life as a biomedical scientist in haematology. All the hon. Members present will be relieved to know that the majority of blood samples we look at in a haematology lab are normal. However, it is that rare, abnormal blood sample with odd-looking white cells that has long-lasting and life-changing consequences for patients.

As we heard from the hon. Member for Strangford (Jim Shannon), blood cancers account for one in 10 of all cancers, so they are quite prevalent. So often the patient finds it hard to grasp that they have such a serious condition. Patients diagnosed with lung cancer, breast cancer or colon cancer, for example, understand the word “cancer”. But leukaemia, whether chronic, acute, myeloid or lymphoid, does not have the word “cancer” attached to it, so the move towards calling these conditions “blood cancers” may help patients and their families to come to terms with the diagnosis and focus on the need for more research and development and funding for new drugs and treatment therapies.

Stem cell transplantation is one treatment that I want to talk more about today. Just last week I visited the Anthony Nolan research labs in north London—it seemed quite strange putting on a lab coat again after so many years. Obviously technology has changed since I was in the labs, but it was still amazing to see the world-leading equipment and ground-breaking technology and all the scientific research going on behind all the new technologies being developed. The treatment being carried out there is really cutting-edge. I make no apology for using those descriptive words: we really have a gem on our doorstep.那里 was indeed an urgent need for significant improvements in transplant outcomes.

There is definitely a need for further research into stem cell transplantation to reduce the side effects of treatment and to improve the long-term survival that we really need. I believe that doing more research will lead to cost savings for the NHS, as patients will be less likely to require specialist care following transplant, but there are a number of barriers to this type of research taking place, such as inadequate research infrastructure and inadequate data collection.

Patient outcomes can be significantly improved through more research into this type of technology. I am sure that some of the current barriers to research can be overcome with Government support for improving research infrastructure. As part of that, we need to establish and really put on the map a national stem cells transplant and trials network to bring together all the data from across the country as well as the data coming to Anthony Nolan. Hopefully, that should accelerate the adoption of new treatments in clinical practice and ultimately improve patient outcomes.

Just a couple of years ago, the Anthony Nolan research labs invested in a new technology for advanced tissue typing, known as third generation sequencing—that is where it really went beyond me on my visit there. The technology allows entire genes to be sequenced in one go, and it is faster and more accurate than was previously possible. In turn, it allows for the best possible donor for patients with blood cancer, leading to better outcomes and reducing post-transplant complications such as graft-versus-host disease.

Sadly, not every patient with blood cancer is suitable for a stem cell transplant, and even if they are, a match may not be available. For some patients, a stem cell transplant is the only suitable option, one example being patients with chronic myeloid leukaemia, a condition the hon. Gentleman touched on. Some of these patients are resistant, or develop resistance during treatment, to targeted drugs called tyrosine kinase inhibitors. Resistance to those targeted drugs is a significant problem in up to a third of patients with chronic myeloid leukaemia.

These complexities only add to the need to improve access for patients to the cancer drugs fund. Chronic myeloid leukaemia patients who are resistant to tyrosine kinase inhibitors and are not suitable for stem cell transplant need a number of medicines to be available to them. Those targeted therapies treat small patient groups and as such have been difficult for NICE to evaluate because, again, we do not have the numbers to get the evidence to prove that a drug works.

The therapies have been passed to the cancer drugs fund panel for consideration, but even now access is restricted and they have only been allowed for some patients with specific mutations. As we have heard, that is contrary to decisions in Scotland and Wales. In fact, like the hon. Gentleman, I have heard of a chronic myeloid leukaemia sufferer moving to Wales to be able to access the treatment that provides his only hope of survival for a few more months and years to spend with his family.

By the nature of the condition, blood cancers are diverse, and just a small range of approved cancer drugs or treatments does not provide a solution. It therefore follows that data on the effectiveness of the drug regime on offer are limited. This situation should not prejudice those blood cancer patients whose cancer epidemiology does not permit treatment with NICE-approved drugs.

I want to finish with three asks of the Minister. First, will he support clinical research that will improve outcomes for blood cancer patients and specifically the aim of establishing a clinical trials network for stem cell
transplantation? Secondly, will he ensure that the way the cancer drugs fund is administered does not put up even more barriers to blood cancer patients? Thirdly, will he ensure that the final outcomes of the accelerated access review provide a genuine speeding up of access to transformative and innovative drugs, devices and diagnostics, not just for blood cancer patients but for patients with other hard-to-treat conditions?

2 pm

Colleen Fletcher (Coventry North East) (Lab): It is a pleasure as always to serve under your chairmanship, Mr Walker. I should start by saying that I am a joint vice-chair of the new all-party group on blood cancer and a member of the all-party group on stem cell transplantation. I am pleased to have the opportunity to speak in this important debate on blood cancer and the cancer drugs fund. I thank the hon. Members for Strangford (Jim Shannon) and for Crawley (Henry Smith) for affording me this opportunity by securing the debate. I also thank the previous speaker, the hon. Member for Erewash (Maggie Throup). I agree with much of what she said, including about the need for more clinical research.

It is true that since its introduction in 2010, the cancer drugs fund has enabled many blood cancer patients in England to access treatments that are unavailable in the mainstream NHS. That has undoubtedly benefited and saved the lives of thousands of patients. However, it is equally true that, latterly, the CDF has also fostered a great deal of uncertainty for many blood cancer patients and their families.

Some have experienced a rollercoaster of emotions as the life-saving treatments they rely on have been made unavailable, then available and then unavailable again in a matter of a few months. That was most acute during the 2015 delisting process, which resulted in 16 indications for seven blood cancer drugs being removed from the CDF. There is considerable concern that under the new system more and more blood cancer drugs will become unavailable as the CDF moves away from being the safety net for patients that it was designed to be. That concern is reinforced by the retention of the flawed process used by NICE for assessing drugs, which has resulted in many blood cancer drugs becoming unavailable.

I hope the Minister will offer assurances that blood cancer patients will be able to access the drugs they need under the new process for reviewing and appraising medicines.

We must not forget that the drugs offered through the CDF are just one of many treatment options available for patients with blood cancer. I want to turn briefly to one of those: stem cell transplantation. I intend to make a few points about the inconsistencies in care for blood cancer patients post-transplant. I declare an interest, as my husband Ian was diagnosed with acute myeloid leukaemia in 2014 and received a stem cell transplant soon after in the same year through Anthony Nolan. If we are to make use of the cutting-edge research that allowed his cure, we surely need to look at the inconsistencies of post-transplant care. It is vital that blood cancer patients who undergo stem cell transplants have access to the care and support they need after their transplants, as well as before and during. Currently, however, there is no long-term patient pathway and as such the provision of services varies greatly across the country, leaving vulnerable patients at the mercy of the postcode lottery, where some get very good support but others get very little.

The problem arises because the transplant period is defined as 30 days before transplant until just 100 days post-transplant. Variations in care and support occur after that period when commissioning responsibility transfers from NHS England to clinical commissioning groups. After that point there are no guidelines on what constitutes a suitable late effects service for patients and no guarantees of appropriate funding for transplant centres to deliver the care that stem cell recipients will continue to require. As such, the result is geographical variations.

Delivering the long-term care that patients need at a consistent standard across the country requires a clear and fully funded patient pathway. It is my belief, and that of Anthony Nolan, the blood cancer charity, that that pathway should cater for each patient for at least five years after transplant and look much further beyond the arbitrary 100-day figure. I hope the Minister will touch on what can be done to ensure that every patient has access to the same standard of care and support. Will he agree to meet with representatives of Anthony Nolan to discuss how best to deliver a comprehensive post-transplant pathway?

Just as consistency around post-transplant care is essential, so too is the need for consistency in the NHS’s policy on second transplants for blood cancer patients. This is not a plea—I hope my husband will not need a second transplant: he is currently well, but living with the after-effects of the drugs needed to see him through this period—but unfortunately NHS England currently has no clear or consistent policy on whether it will fund second stem cell transplants for the small number of patients each year who relapse, even though there are many people alive today because of a second transplant.

Will the Minister offer his assurances that if a patient’s doctor recommends a second transplant, NHS funding will be allocated to ensure that that patient has a second chance of a cure? After all, is that not why we are here today: to ensure that all blood cancer patients have access to the best treatments available for their condition—treatments that offer the best chance of a cure—whether it be a stem cell transplant, a course of radiotherapy or chemotherapy or access to medicines approved by NICE or those available through the CDF?

2.7 pm

Henry Smith (Crawley) (Con): It is a great pleasure to serve under your chairmanship once again, Mr Walker. I pay tribute to hon. Members who have joined me on the new all-party group on blood cancer and particularly the hon. Member for Strangford (Jim Shannon) for...
going to the Backbench Business Committee and asking for this debate—my appreciation therefore also goes to the Backbench Business Committee for allocating time today to discuss this important issue. The hon. Gentleman is an assiduous parliamentarian and we are grateful to have his wise words and commitment behind this important issue.

Many of my constituents have seen first hand, through family and friends, the real-life effects of blood cancer. We heard a powerful and personal presentation from the hon. Member for Coventry North East (Colleen Fletcher) just a few moments ago. For my part, almost exactly four years ago this month my mother passed away from acute myeloid leukaemia. There will also be personal stories in the Public Gallery and beyond, so it is important to ensure that this issue is highlighted.

This morning I was pleased to see that the National Institute for Health and Care Excellence approved the chronic myeloid leukaemia drug bosutinib. That is great news for patients. I hope that will not be the last such approval in the weeks and months to come. The importance of early diagnosis cannot be overestimated, not least because, by 2020, almost half the UK population will receive a cancer diagnosis during their lifetime. Although I am sure that everyone in this place is aware, it may come as a surprise to those who are not so familiar with the issue that blood cancer is the third biggest cancer killer and is made up of more than 130 different diseases, including leukaemia, lymphoma and myeloma.

It is important not to lose sight of the importance of ensuring emotional support. The management of the cancer drugs fund’s list of medicines in 2015 caused additional emotional strain to some patients, their families and their support networks. Several treatments were not approved by NICE and so were unavailable to patients, and some treatments were made available through the cancer drugs fund. However, 16 of the drugs that received indications were then delisted during 2015, and two delisted medicines were reinstated on to the CDF in October 2015 after NHS England and the drug manufacturers agreed a new price.

All treatments currently on the CDF, and those that have been delisted, will be reviewed by NICE in the coming months as part of the new system for appraising cancer drugs, which could mean that the status of those drugs changes once again, causing additional uncertainty. Such change is of course welcome if the drugs end up becoming available, but the lack of permanency in such decisions is distressing for patients and those who care for them.

For those on a first-line treatment, not knowing whether the second or third-line options will be available—or, worse, knowing that they will not be available—places them and their family members in an almost unthinkable and unbearable situation. Although the revised cancer drugs fund provides up to two years of interim funding for a drug, the concern is whether that is enough time to secure the necessary data needed to make a final decision.

In helping to form the new APPG, I have been made aware of a number of concerns about the new cancer drugs fund system. First, the changes in the new incarnation of the CDF have led to confusion among patients. The old system provided a safety net for patients if a drug was delisted by NICE, but under the new system a negative verdict from NICE means that there is no remaining safety net and the drug will be unavailable to patients, which is a significant cause of concern. Secondly, the fund previously allowed a number of drugs to be provided to NHS patients that otherwise would not have been provided. Many of the CDF drugs had previously been turned down by NICE for being too expensive, because of insufficient data due to the smallness of the patient populations they targeted or because low patient numbers made it impossible for cost-effectiveness to be assessed using NICE’s standard methodology.

Thirdly, treatments currently on the CDF, and those that were previously included but subsequently delisted, will all be reviewed by NICE under the new system. As I have mentioned, such instability also causes suffering. Where patient populations are small, it can be difficult to secure the necessary data to make a successful application to NICE. Fourthly, the success or failure of the new process will depend on how NICE interacts with the pharmaceutical industry. Both sides have a crucial part to play, and flexibility is required on issues such as pricing, access schemes, the application of methodology and how clinical data are used.

Finally, the revised CDF will provide a maximum of two years’ interim funding for a drug if NICE deems that further clinical data are required before a final appraisal decision can be made. The new CDF will therefore provide temporary funds while data are collected, whereas the drug will be approved or declined by NICE. The fund is welcome in principle, but I fear that an additional two years will be insufficient to secure the necessary data to make a final decision, particularly for some of the blood cancer drugs due to be reviewed by NICE.

The UK is a world leader in blood cancer research, which is welcome. As a country, we can be proud of that work, while recognising that there is still much more to do. Work undertaken in this country has improved our understanding of blood cancer and helped to make available a number of life-saving and life-changing treatments, with many more in progress. Blood cancer research in the UK has been at the forefront of advancing precision medicine for patients, from molecular diagnostics to targeted therapies. In launching the APPG, it has been a pleasure to work alongside charities such as Bloodwise. Since its launch in 1960, Bloodwise has spent more than £500 million on blood cancer research. I pay tribute to the work it has done and continues to do.

The UK’s world-leading blood cancer research not only helps those affected by blood cancer but allows a greater understanding of other cancers and has helped to develop new treatments for other diseases. It is vital that patients are able to benefit from that research. What are the Minister’s views on providing a new model for appraising cancer drugs? Along with the work of the Government’s accelerated access review, a long-term and sustainable system will enable patients to benefit from the innovative, life-saving drugs that are being developed.

Last month I received a written answer from the Under-Secretary of State for Health, my hon. Friend the Member for Battersea (Jane Ellison), who has responsibility for public health, in which she referred to the Government’s September 2015 announcement that, by 2020, the approximately 280,000 people diagnosed
with cancer each year will benefit from a tailored recovery package. Will the Under-Secretary of State for Life Sciences provide an update on that goal today?

I would be grateful for some reassurance on the following issues. Will the new process for reviewing medicines enable blood cancer patients to access the drugs they need? Will NICE give consideration to rare diseases and to drugs targeted at small patient populations, with clear guidance on how NICE will provide a fair assessment of such drugs? Will NICE, NHS England and the manufacturers be encouraged to work together effectively to ensure that drugs are made available? Will the Government consider the drugs budget in the light of the huge advances in technology and innovation that are leading to the development of many new life-saving drugs?

I am sincerely grateful to hon. and right hon. Friends for their attendance and attention today. With my friends on both sides of the House, I look forward to ensuring that the issue of blood cancers is further advanced and that awareness is increased.

2.18 pm

Martyn Day (Linlithgow and East Falkirk) (SNP): It is a pleasure to serve under your chairmanship, Mr Walker. I thank the hon. Members for Erewash (Maggie Throup) and for Crawley (Henry Smith) for securing this informative and timely debate. Although I might have sleepless nights at the thought that one in two people will receive a cancer diagnosis, I thank them both for driving home that point to the wider populace.

There can be little doubt that a cancer diagnosis is a daunting prospect for those affected and their families, which is why it is vital that we support them throughout their journey from detection through to aftercare. Many heartfelt examples and experiences have been detailed in today’s debate, and it is clear that the support that individuals require can vary greatly. One size does not fit all, so we need a system that considers the problems from all angles. I agree wholeheartedly with the hon. Member for Strangford that everyone should be offered tailored support.

I am grateful to the hon. Member for Erewash (Maggie Throup)—I hope I have pronounced it correctly—for her explanation that we should refer to all the diseases as blood cancers. As a layman, I found it helpful. There are 130 of them, all with complex names, and having done some research for this debate, I found the names confusing. It is a good approach. Her argument about the strong need for more clinical research should be taken on board.

I was grateful to hear from the hon. Member for Coventry North East (Colleen Fletcher) about her personal circumstances. I am glad that her husband has had a positive outcome. The regional variations are somewhat disappointing; a lot more can be done. I thank the hon. Member for Crawley for his submission and for securing this debate. He drove home the fact that blood cancers are the third biggest cancer killer, and spoke about the difficulties caused by small sample sizes in providing adequate data for drug assessments. That is an important point.

In Scotland, of course, health issues are devolved, so unlike many hon. Members here today, I see only a tiny number of such cases in my casework, as they go to MSPs instead. Our experience in Scotland is also a little different. The Scottish Government are implementing a £100 million new cancer plan to improve prevention, early diagnosis and treatment, and have reformed how the Scottish Medicines Consortium assesses drugs in order to give patients better access to treatments that can give them longer and better quality lives.

Basically, we have combined our cancer drugs fund with our rare diseases drugs fund and simply called it the new drugs fund. The amount in the fund has been quadrupled, which is a significant factor. That approach will serve as a blueprint for all cancer services in Scotland, improving the prevention, detection, diagnosis, treatment and aftercare of those affected by the disease.

Other initiatives include a £50 million fund over the next five years to improve radiotherapy equipment and support radiotherapy training, ensuring that everyone who would benefit from it has access to advanced radiotherapy, and £9 million over five years to support access to health and social care services during and after treatment, such as link workers to provide support in the most deprived communities. We will also invest £5 million over the next five years in reducing inequalities in screening. There are many such examples, and we can learn from one another’s good practices in the different parts of the United Kingdom.

In Scotland, the Scottish Medicines Consortium considers drugs as NICE does, including worldwide evidence, and works up each drug in detail. The balance for us seems to be slightly more on effectiveness than on cost, although cost obviously remains a factor in all matters. Our impression is that, for NICE, cost would sometimes be a bigger component. Both organisations consider cost-effectiveness; as we all know, there is no infinite pot of money.

In conclusion, although no system will ever produce a favourable result for every individual, more can always be done and we can always learn lessons from each other’s systems. In that light, I suggest that Ministers consider giving NICE the power to change its decision-making process and consider new medicines more flexibly.

2.23 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): This debate illuminates an extraordinarily difficult subject: the clash between the fact that ultimately there must be constraints on NHS spending, whatever party is in power, and the desperation of cancer patients and their friends and family to obtain any drugs and treatments that will give them a few extra months of life.

The cancer drugs fund was a manifesto commitment by the Conservative party. As such, I venture to suggest, it was partly a political response to a series of terrible stories in the media about NICE—the rationing body—not allowing people access to drugs. However, it was always intended to be time-limited; the Government were clear from the beginning. Sadly, it has been overspent. In 2013-14, NHS England overspent the allocated budget for the fund by 15%, or £31 million, and in 2014-15, it was overspent by 48%, or £136 million. The overspend was partly offset by NHS England underspending against other budgets, but it also meant the deferral of some planned spending on primary care services.
The Government’s response to the fact that the cancer drugs fund was always going to be transitional is to introduce a new model. The cancer drugs fund will become a transitional fund that will only pay for new drugs until NICE carries out a full assessment of whether the drugs should be recommended for routine commissioning. After the assessment, the drug will either be approved by NICE for routine commissioning or removed altogether from the cancer drugs fund. That is clearly a horrifying and shocking reality for cancer patients and their families to face. Labour Members believe that the Government could have done more in setting up a new system.

This situation is serious. At the last count, 5,500 cancer patients and 1,750 blood cancer patients were dependent on some of the drugs that might be struck off. Although they personally will be unaffected, their successors as patients and the health professionals who care for them will be left in limbo. The Government have delisted seven of 14 drugs to treat symptoms of blood cancer, even before the CDF has published its report. The independent accelerated access review is also not complete, and the pharmaceutical price regulation scheme has come in for widespread criticism.

It is not clear—the Minister might be able to shed some light on this—whether there has been any proper evaluation of the efficacy of the existing programmes. Prolonging life and the palliative effects of such drugs are key issues, as well as—this is where I started—the relative costs of the drugs themselves. Any decisions made on the availability of drugs should be rational and transparent, taking those factors into account. Although I await the Minister’s response with interest, the decisions of the CDF under this Government do not appear to meet the criteria of either rationality or transparency.

We must be honest: cancer treatment in this country is poor by international standards. We have some of the worst cancer survival rates of the advanced industrialised countries. Some of our nearest comparators are much poorer countries such as Lithuania and Estonia, which have similar if not better cancer survival rates. NICE comes in for extensive criticism, particularly from pharmaceutical companies, but the truth is that NICE, as an independent regulator that takes decisions on the efficacy and cost-effectiveness of drugs, is a model admired around the world. It is a difficult situation.

We in the Labour party want an investigation of the causes of our low cancer survival rates and a plan for Government. At this time, the whole House is waiting for the Minister to say how the Government balance issues of cost-effectiveness and the need for life-extending and palliative care. Are they satisfied that their model for phasing out the cancer drugs fund and turning it into a transitional arrangement is really the best model? What have they done to alleviate the concerns of cancer patients, their friends and family, and people who speak for the sector?

2.29 pm

The Parliamentary Under-Secretary of State for Life Sciences (George Freeman): It is a great pleasure to serve under your chairmanship, Mr Walker. I thank and congratulate the hon. Member for Strangford (Jim Shannon) and my hon. Friend the Member for Crawley (Henry Smith) on setting up the all-party parliamentary group and initiating this debate. It is another example of Westminster Hall providing an important forum as an adjunct to the main Chamber for hon. Members to raise specialist issues, and I welcome it hugely. I thank Members from all parties who have spoken. Again, it is an example of the House at its best, working together in a non-partisan way on an issue that our constituents want us to see is important.

While I am here, I take the opportunity to welcome the hon. Member for Hackney North and Stoke Newington (Ms Abbott) to her role as shadow Health Secretary. I look forward to working with her here and in the main Chamber.

I pay tribute to Bloodwise and other charities that work in the blood cancer space. Charities are playing an increasingly important role in the sector; the Association of Medical Research Charities recently released figures that show that our charities now invest more than £1.4 billion a year in medical research. That puts them above any of our UK pharma companies. Charities make a major sectoral contribution, not only with their research but by advocating on behalf of their patients, driving care pathway reform and leading and supporting integrated care pathway initiatives with NHS England. I put on record our gratitude to them for that work.

I congratulate Members on setting up the new APPG, which has a really important role to play, working with parliamentarians, Government and everybody involved in the blood cancer community, in ensuring that the voice of blood cancer patients is heard here in Westminster and that policies affecting blood cancer patients, their families and carers are patient-centred and evidence-based.

The word “cancer”, as you know Mr Walker, still strikes fear into people's hearts up and down the land. The truth is that, through extraordinary biomedical advances and treatment improvements, more than 850,000 people are now living and working with cancer. It has become a treatable condition. Some cancers are now preventable with early screening and intervention—for example, there have been stunning breakthroughs in breast cancer, which now has a full survival rate of more than 95%. But other cancers, particularly some of the rarer cancers, still strike fear into people's hearts, which is partly why I welcome this debate and the increasing number of debates in Westminster Hall on specialist and rare diseases.

Most Members present will have experienced the diagnosis of a family member or a loved one. We have heard powerful contributions from colleagues about that; I too experienced it when my sadly late mother-in-law was diagnosed with chronic myeloid leukaemia. My wife and our family had to watch the tragedy of a young, wonderful, healthy grandmother leaving us. My wife and our family had to watch the tragedy of a young, wonderful, healthy grandmother leaving us. My wife and our family had to watch the tragedy of a young, wonderful, healthy grandmother leaving us. My wife and our family had to watch the tragedy of a young, wonderful, healthy grandmother leaving us.

Let me set out how the Department views blood cancers and how they are grouped together, because that shapes our policy on research and treatment. Haematological or blood cancer is a term used to
describe a range of cancers that affect the blood, bone marrow, lymph or lymphatic system. The symptoms can be quite vague and many of them, such as tiredness, fever, lumps or an infection, are similar to those for colds or other much less serious illnesses. I repeat the exhortations of other hon. Members: if in doubt, go and see a doctor early for a check-up.

The charity Bloodwise estimates that around 230,000 people are now living with blood cancer in the UK. It is the fifth most common cancer in UK adults and the most common in children and young adults. It is the third biggest killer.

There are three main kinds of blood cancer. The first is leukaemias, which affect the white blood cells that are so vital to our immune system—the police of our blood system, if you like. Leukaemias include four main types: acute myeloid leukaemia, acute lymphoblastic leukaemia, chronic myeloid leukaemia and chronic lymphocytic leukaemia. The second kind of blood cancer is lymphomas, which affect the lymphatic system—another crucial part of our immune system that helps to protect the body from infection and disease. The two main types are non-Hodgkin lymphoma and Hodgkin lymphoma. The third kind of blood cancer is myelomas, which affect the plasma cells that produce antibodies, which help fight infections.

Across those three core groups, there are more than 130 different blood cancer conditions. Most start in the bone marrow, where blood is made; many different types of blood cells are made in the bone marrow, with the type of blood cancer depending on the type of blood cell that is affected. In most blood cancers, the affected blood cells stop developing in the normal way and become cancerous. The cancerous cells stop the blood doing what it normally does, such as fighting off infections. I am conscious that Members present are probably familiar with this, but many watching may not be, and it is important that people understand what the underlying symptoms and causes of the condition are. Common treatments are chemotherapy, radiotherapy and, in some cases, a stem cell or bone marrow transplant.

Many people throughout the country are working hard to improve cancer diagnosis, treatment and care. In particular, I draw attention to the work of some of the pioneers—Bloodwise, Anthony Nolan and Myeloma UK should all be applauded. The work of those charities is also supported by the UK’s world-class scientific and academic life sciences research community, which is driving forward patient-centred research into blood cancers. Let me highlight a few groundbreaking centres that can give us all a lot of hope.

The Francis Crick Institute here in London—the flagship biomedical centre next to King’s Cross—hosts Dominique Bonnet’s programme. Dominique’s team is studying both normal and leukaemic blood stem cell biology and has published work in developing immunotherapeutic approaches to targeting leukaemia. A number of other groups are studying the development of cancers and identifying opportunities to develop novel therapeutic approaches more broadly.

Blood cancer is a key theme behind the Medical Research Council’s £30 million funding over five years for the molecular haematology unit at the University of Oxford, which I am visiting tomorrow. The unit is building on its programmes to understand the development of the blood system from the embryo through to adulthood and how that can go awry, leading to a variety of haematological malignancies, as well as a number of other disorders.

Similar programmes in understanding the development of the blood system and the pathogenesis of blood cancers are supported by the Wellcome Trust—Medical Research Council Cambridge Stem Cell Institute, now under review at the end of its first five-year review period. The institute originally received an £8 million award over five years from the funders, with a strong push to translate those discoveries into clinical application.

The MRC centre for regenerative medicine hosts a number of programmes to improve understanding of the developmental biology of the haematological system and of stem cell compartments, how stem cells go on to make adult blood components and how that can go wrong and lead to leukaemias.

I make particular mention of the work of Professor Charlie Craddock, director of the blood and marrow transplant unit at University Hospitals Birmingham NHS Foundation Trust, who leads the trials acceleration programme, funded by Bloodwise and supported through the National Institute for Health Research experimental cancer medicine centre funding and its clinical research network.

In the last decade, a wave of new drug and transplant therapies have been developed that offer the prospect of dramatically improving the outcomes for patients with blood cancers. It is important that we get those therapies to patients quickly, not only for the patients’ own benefit but because patients’ response, feedback and data drive intelligent research.

The trials acceleration programme was opened in 2011 specifically to address the vital importance of accelerating patient access to novel therapies in blood cancer. By funding a regulatory hub with the capacity to rapidly work up clinical trials of novel agents, coupled with an integrated network of research nurses at major leukaemia units throughout the UK, it has been possible to develop an internationally competitive portfolio of 17 clinical trials. Experience to date has shown that the trials acceleration programme is able to dramatically shorten the time to trial set-up: it is now routinely less than 12 months, which is a substantial breakthrough from where we were just a few years ago.

Professor Craddock tells me that, in the process, patients have accessed more than £150 million of new, potentially life-saving drugs that they would not otherwise have had access to, and vital new data concerning drug activity have been generated. The trials acceleration programme has proved itself a highly effective model for acceleration of new drug therapies, and it is partly those pioneering projects that have informed my thinking on the accelerated access review, which I will say more about in a moment.

The National Institute for Health Research, which we fund to the tune of £1 billion a year, is investing more than £4 million over five years in blood disorder research at the Oxford Biomedical Research Centre, including research into lymphoma, leukaemia and myeloma. In addition, the Department has allocated £200,000 to NHS Blood and Transplant to explore issues on the establishment of UPTAKE, a new research collaboration platform designed to work closely with the NIHR clinical research network to develop and deliver prospective clinical trials in transplant and cellular immunotherapy.
We are leading in the development of genomics to drive insights into new diagnostic and treatment methodologies. The 100,000 genomes project is assembling one of the world’s largest datasets of genomic and phenotypic data, linking hospital outcome data with genotypic data from patient volunteers to provide what I have referred to elsewhere as the NASA of 21st century personalised biomedicine. The focus is on cancer and rare diseases.

This is a good day to be having this debate because just yesterday Dame Fiona Caldicott reported back to the Secretary of State and me. We had asked for her thoughts on how we get the balance right on data security consent and opt-outs so that we can harness patient and public trust in the use of data in our health service for research.

Ms Abbott: I listened with interest to the Minister, citing several organisations that speak up on the issue of blood cancer. I draw his attention to the African-Caribbean Leukaemia Trust, which had done a lot of good work encouraging people from the African-Caribbean community to donate blood—their chances of getting a properly matching blood donor are extremely low. The trust was founded by Beverley De-Gale and Orin Lewis, whose six-year-old son was diagnosed with leukaemia. I would not want the debate to finish without their work being mentioned.

George Freeman: The hon. Lady makes an excellent point. I thank her for it and endorse her sentiments. In several research areas important initiatives have been taken by black and minority ethnic and other communities with particular genetic predispositions. It is important that we support those initiatives, which I very much welcome.

The Genomics England programme operates on an explicit volunteer consent model. I want to take this opportunity to reassure the House that our announcement that we are dropping the care.data programme, which most colleagues would admit was not exactly an award-winning exercise in carrying public trust and confidence in data, is by no means, and should not be mistaken for, an abandonment of our commitment to a digital NHS. We are completely committed to making sure that our NHS is fit for purpose in the 21st century, which means that, in order to fulfil the most basic contract with our users, we need to have information for individual care, for system safety and performance and for research.

Raising awareness is the central issue of the motion. I assure Members that raising awareness and improving the early diagnosis of cancer, particularly blood cancers, is a priority for the Government. We absolutely recognise that earlier diagnosis makes it more likely that patients will receive effective treatments. On average, GPs in England see fewer than eight new cancer cases per year, but many more patients present with symptoms that could be cancer. In truth, we are missing huge opportunities to harness our daily diagnostic footprint for better cancer diagnosis.

In order to continue to support GPs to identify patients whose symptoms may indicate cancer and urgently refer them as appropriate, the National Institute for Health and Care Excellence published an updated suspected cancer referral guideline in June 2015, which includes new recommendations for haematological cancers in adults and children and young people. NICE noted that more lives could be saved each year in England if GPs simply followed the new guideline, which encourages GPs to think about cancer sooner and lowers the referral threshold.

Following the publication of the updated guideline, the Royal College of General Practitioners has worked in collaboration with Cancer Research UK on a programme of regional update events for GPs, to promote the new guideline. They have also worked to develop summary referral guidelines for GPs, including by introducing an interactive desk easel for them, to enable them to adopt the guideline. The British Medical Journal has also published summaries. In addition, NHS England’s Accelerate, Co-ordinate, Evaluate—ACE—pilots are exploring new models for delivering a diagnosis more quickly and effectively, including by piloting a multi-disciplinary diagnostic centre, which we hope will be particularly effective for patients with vague or unclear symptoms.

In conjunction with the Department, NHS England and other stakeholders, Public Health England currently runs the Be Clear on Cancer campaigns, which are designed to raise the public’s awareness of specific cancer symptoms and encourage people with those symptoms to go to the doctor at an earlier stage, when cancer is more treatable. Mr Walker, I know that you are a great champion of male health issues and have worked against stigma in health, and it is very often men who are slow to present and who tend to feel the stigma and take the traditional view, saying, “I’ll only go when I have a real problem.” The enlightened fairer sex tends to go to the doctor quicker. It is important that we remind men to be quick to go to the doctor.

Maggie Throup: The Minister is right to say that there are some really good promotional campaigns that raise the profile of different healthcare issues. The campaign to detect strokes early on, Act F.A.S.T., was a good one. Some of the other campaigns, such as those to raise awareness about lung and colon cancer, are also really good, but the hidden nature of blood cancers makes things harder. Does the Minister agree that we should try to raise the profile of the symptoms?

George Freeman: I completely agree with my hon. Friend. As she has made clear, and as I repeated earlier, it is tricky because the symptoms are not always straightforward or simple. It is often not a lump or something that is easily detectable, and the symptoms can easily be confused with those of other conditions that many of us might all too easily brush off and dismiss as the result of tiredness, fatigue and the general pressures of modern life. It is important that people recognise the symptoms. The all-party group and this debate will help to underline the importance of being aware of the early symptoms.

So far there have been 11 national Be Clear on Cancer campaigns covering seven types of cancer, and a national respiratory symptoms campaign will run from July to October this year to raise awareness of lung disease. I shall obviously ensure that the Under-Secretary of State for Health, my hon. Friend the Member for
Battersea (Jane Ellison) is aware of this debate and will make clear to her the cross-party support for greater awareness of blood cancers.

Jim Shannon: I am not sure whether this is the Minister's responsibility, but those of us who have participated in the debate are very aware of the issues relating to the accelerated access review. We are keen to know whether there could be a review of the scheme and of access to drugs. Even if the review were to resolve the many issues surrounding the speed with which new medicines are evaluated by NICE, unless there is meaningful change to the final decision-making process, new medicines will fail to reach patients. I suspect that is the Minister's responsibility, but he can confirm that. How can we improve the accelerated access review? I know the Minister will have a good answer and I want to give him an opportunity to share it.

George Freeman: I am grateful to the hon. Gentleman for reading my mind—not for the first time—because the next paragraph in my speech is about the cancer drugs fund and the accelerated access review. His intervention gives me a moment to highlight some of the important points that colleagues have made. The hon. Gentleman, who is something of a biomedical stalker of mine on these occasions, as he acknowledged—we rarely appear in this House other than together—was right to highlight the great work that Queen's University Belfast does on blood cancers. He spoke with great passion about his father's experience.

My hon. Friend the Member for Crawley spoke about his mother's experience and made some really important points, not least about data and the importance of our harnessing it and generating a new model of appraisal. I will pick up on the latter point when I discuss the accelerated access review.

The hon. Member for Coventry North East (Colleen Fletcher), who is vice-chair of the all-party group, made some important points about the CDF, to which I will return, and described the experience of her husband Ian. She asked whether I would meet the Anthony Nolan Trust; I will. I have already had several meetings with the trust and will continue to meet it, and when I do, I will pick up on the issues she mentioned relating to post-transplantation care in particular.

My hon. Friend the Member for Erewash (Maggie Throup) spoke about her experience as a haematologist in this field and about being involved on the frontline of research. That is another example of the power of having Members with a range of career backgrounds in the House. She brings great expertise to these matters.

The hon. Member for Linlithgow and East Falkirk (Martyn Day) discussed NICE and how important it is that we tackle the new landscape and make sure we are quicker and better at assessing new medicines. The hon. Member for Hackney North and Stoke Newington raised several important issues in a spirit of cross-party non-partisanship that I hugely welcome and appreciate.

I return to the cancer drugs fund. At the beginning of the previous Parliament, the Government, led by the Prime Minister, made the important commitment that we would put in place a cancer drugs fund to ensure that UK patients got access to the very latest cancer drug treatments. We did that in response to a number of high-profile cases in which NICE, applying its standard, one-size-fits-all quality-adjusted life year, had turned down cancer drugs, and patients were desperate for some hope, wanting the system to be responsive to their needs.

I am proud that we have made a total commitment of more than £1 billion to the cancer drugs fund and that we are continuing to invest each year, with more than £300 million put in this year. However, the system as it was originally set up has not proved to be sustainable, because of the pressure—inevitable pressure, in some ways, given the extraordinary explosion of our medical advances—put on it. If drug companies are turned down by NICE and there is a fund available for a post-NICE approval, the companies simply go to it and it has become over-subscribed.

NHS England has moved in the right direction by taking our funding commitment and repositioning the CDF as an early access and managed-access fund that examines more innovative drugs, ensures that they are provided to patients more quickly and makes sure that the data from that early access is allowed to inform the selection of the drugs that are adopted.

The truth is that breakthroughs in 21st century drug discovery and the rise of better targeted medicines are bringing huge benefits for patients but they also place huge pressure on our traditional models of assessment, adoption and reimbursement. With a rapidly ageing society and an explosion of new treatments, we cannot continue with the old model of one size fits all, with the NHS acting as a late procurer at a retail price of every drug. At the heart of my portfolio is a mission to unleash the power of the NHS as a research partner in bringing new drugs to market and getting a dividend—a discount—in return for that work.

We spend around £14 billion on medicines in the NHS every year and over £5.5 billion of that is spent on cancer drugs. The new generation of cancer therapies are incredibly exciting. The immunotherapies that we are seeing do not just delay death or grant patients a few extra months or years; they are cures for cancer. Those Daily Mail headlines that have been promising cures for cancers for more than 20 years are finally true. We now have cancer cures coming through, which profoundly changes the way that we will have to price drugs.

Let me say something about the accelerated access review, NICE and the CDF. At the heart of the accelerated access review is a commitment from the Government to consider whether and how we can better harness our extraordinary NHS assets as an integrated healthcare system to become a partner in the development of new therapies, so that instead of the industry treating the NHS as an increasingly pressurised retail-based consumer that struggles with this explosion of ever more expensive technology, we become a partner. Then, in return for sharing our clinical assets, for working with charities and the industry around our £1 billion-a-year National Institute for Health Research network, and for our leadership in genomics and informatics, we can pull innovation through more quickly for patients, share a data package and be the first place on Earth that companies want to come to in order to have their innovations assessed.
The accelerated access review has been examining a whole range of complex issues in this field and its report is waiting for a post-referendum slot to be published. I can assure Members that in the time that the review team has been preparing that report for publication, I have not been sitting around waiting for it; along with NHS England, I have been doing the preparatory work to be ready for it. Without in any way wanting to pre-empt the report, let me just share with colleagues some thoughts about where I think there is a huge degree of consensus between the Department of Health and NHS England on how we might be able to make some moves.

There are three key areas. First, in specialist commissioning, which deals with many rare diseases and rare cancers, the drugs are commissioned nationally through the Department of Health and NHS England. We want to see whether we can pull together that commissioning function into a more innovative procurement unit, to pull through and do some more innovative deals with industry in return for discounts—acceleration for discounts.

Secondly, we want to consider the NICE pathways through to NHS England and ask whether we can make it easier for innovators either to go through a series of much clearer NICE pathways or to go straight to NHS England and do pricing, discounting, acceleration and volume deals, as well making sure that we have an transparency and accountability framework so that people can see which parties in the ecosystem are fulfilling their mandate.

The evidence from recent NICE approvals is encouraging. Many thousands of people have benefited from blood cancer drugs that NICE has recommended, such as bortezomib, ofatumumab and rituximab, and the evidence is that if we gather the data properly from the drugs that we approve, then we can use that as an intelligent health service to inform which drugs we adopt and pull through more quickly. If we get that right, the CDF in its reformatted position as a managed-access fund operating earlier in the system could become a powerful vehicle for an accelerated-access model of cancer drugs assessment. That will require some careful work on the NICE/NHS England framework, but we are doing that work right now, as we speak.

I will close, Mr Walker, by saying that—ah, Mr Walker has been replaced by you, Mr Betts.

Mr Clive Betts (in the Chair): Observant, Minister.

[Laughter.]

George Freeman: That was achieved in an extraordinary manoeuvre, which was so seamless I did not even notice it happening over my left shoulder.

This summer, officials in the Department will work with the accelerated access review team and NHS England to try to strike a blow for an integrated healthcare innovation economy that makes best use of our budgets. Let me put it on the record that these are substantial budgets: we have committed an extra £10 billion a year to the NHS in 2020 and at the heart of that package is an extra commitment to new drugs worth £4 billion. Those are substantial sums, but we want to make sure that those funds are spent on getting the right drugs through to the right people quickly, and in return for that acceleration we will be able to get better discounts from the industry. I am confident that by bringing the CDF together with the accelerated access review, we will be able to deal with many of the issues that colleagues have raised this afternoon.

That brings me to the end of my comments. It only remains for me to thank hon. Members for raising these issues. I hope they can rest assured that I am committed to seeing these issues through and working with them in the days, weeks, months and—who knows?—years ahead.

Mr Clive Betts (in the Chair): I call Jim Shannon. You have two minutes to wind up.

2.55 pm

Jim Shannon: It is a privilege to sum up. First, I thank all the right hon. and hon. Members who have made valuable contributions today. In particular, I thank the Minister for his concluding remarks, which gave us lots of hope and comfort for the way forward. I genuinely mean it when I say that we very much appreciate his energy and his commitment to the issues that he is involved with. We know that when he says he will do things he will actually do them, and we very much appreciate that.

I thank all those Members who have made a contribution today. The hon. Members for Scunthorpe (Nic Dakin) and for Bootle (Peter Dowd) and my right hon. Friend the Member for Belfast North (Mr Dodds) told some personal stories to illustrate the issues. In particular, my right hon. Friend referred to the charitable work that is done in England. I think that theme came through in all the contributions that were made today.

The hon. Member for Erewash (Maggie Throup) referred to the stem cell infrastructure that needs to be improved and I thank her for her very helpful contribution. She referred to the suitability of patients for stem cells and drugs, and she also referred—as we all did—to the improvement of NICE, which is very much needed. In addition, she referred to the clinical research that is also needed.

There was a very valuable, detailed and comprehensive contribution from the hon. Member for Coventry North East (Colleen Fletcher). I am so pleased to have listened to the very personal story that she told us, and what a joy it is to know that she can point to the stem cells and to how her husband’s own health has improved, which in turn helps their entire family. I think that each and every one of us here today was particularly touched by that contribution. On behalf of us all, I wish her husband well. It is good to know that the Anthony Nolan trust was very much involved in his treatment, as it is in the treatment of many other people. We thank the trust for its work.

The one key comment by the hon. Lady that I wrote down during the debate was this: “Hope shines out from the darkness”. She also referred to the geographical variations in treatment that exist across the United Kingdom, and to giving a second chance. How true that is.

The hon. Member for Crawley (Henry Smith), who is the chair of the all-party group on blood cancer, also contributed today. First of all, we thank him for his
We are very happy to be behind him. He is the general and we are the soldiers; he leads in the direction that we wish to go in. He referred to 130 blood diseases, to the emotional support that is necessary for sufferers, to his concerns over delisting, to the need to improve performance and to how NICE and the pharmaceutical industry can work together, which I mentioned in my introduction, but it is so important it deserves repeating. He also referred to Bloodwise and said that everyone needs access to the drugs that they require now.

The hon. Member for Linlithgow and East Falkirk (Martyn Day) spoke, as he always does; he never misses these debates. He always comes along and makes a very determined and considerable contribution. In many ways Scotland leads the way in what we could do in the rest of the United Kingdom. His contribution outlined what Scotland has done and the regional variations. He made many important points, but one of the ones that I thought was good—the Minister will have noticed this—was on how we can exchange our viewpoints regionally and then use the regional variations to the advantage of us all. In Northern Ireland, we can learn from what they do in Scotland and in England and Wales, and vice versa. That is important.

It is nice to see the shadow Minister in her place. She has certainly grasped her portfolio quickly. She has lots of experience, of course. We thank her for the comments she made. She referred to the evaluation of drug availability, relative costs, the rationale, transparency, the palliative effect and the absolute cost—

Mr Clive Betts (in the Chair): Order. The format is for the mover of the debate to have literally two minutes to finish. I know we have got time, but there is normal procedure with this. Will the hon. Gentleman bear that in mind and come to a conclusion?

Jim Shannon: My apologies, Mr Betts. I did not realise that. I thought I had five minutes, and I presumed that was the case. I will bring my comments to an end.

I thank all those who have taken part. I thank the Minister for his concrete proposals and his response. My concluding point is that a single medicine for a cure takes 12 years, 1,600 scientists and 500,000 lab tests to develop. That is the importance of the work that is done. To put it into perspective, that is what we want to work towards: a cure for cancer. If we can get a cure for cancer, we will make lives better. Let us ensure that everyone in the United Kingdom of Great Britain and Northern Ireland can benefit from that.

Question put and agreed to.
Resolved.
That this House has considered blood cancers and the Cancer Drugs Fund.

3.1 pm
Sitting adjourned.
Written Statements

Tuesday 28 June 2016

BUSINESS, INNOVATION AND SKILLS

Contingencies Fund

The Minister for the Cabinet Office and Paymaster General (Matthew Hancock): The Cabinet Office has sought an advance in the amount of £100 million from the Contingencies Fund to cover pension payments for which net cash requirement has been sought in the main estimate 2016-17 but the amount voted on account is forecast to be insufficient. The reason for this is that the forecast income has been lower than predicted and there has been a higher than expected level of lump sum payments in this first quarter of the year. The Supply Bill which authorises the balance of the expenditure is not due to be voted until late July 2016.

An amount of £40 million is required to fund the pension payments and an amount of £60 million is required to fund the payment to HMRC in respect of the tax due for pensions paid.

Parliamentary authority for resources of £7,905,416,000 has been sought in a main estimate for the Cabinet Office: Civil Superannuation. Pending that approval, urgent expenditure estimated at £100 million will be met by repayable cash advances from the Contingencies Fund.

[HCWS46]

ELECTORAL COMMISSION COMMITTEE

Contingencies Fund

Mr Gary Streeter (South West Devon): The Electoral Commission has sought an advance on the resources requested in its main estimate 2016-17 from the Contingencies Fund to enable it to deliver the commission’s planned services. Details of these services are set out in the commission’s main estimate, which was laid before Parliament in April 2016. This is a temporary cash advance which is required as the Supply and Appropriation Bill 2016 will not receive Royal Assent until July 2016. The commission is not seeking any additional funding in this financial year.

Parliamentary approval for resources of £950,000 will be sought in a main estimate for the Electoral Commission. Pending that approval, urgent expenditure estimated at £950,000 will be met by repayable cash advances from the Contingencies Fund.

The advance will be repaid upon Royal Assent of the Supply and Appropriation (Main Estimates) Bill.

[HCWS47]
Strategic Defence and Security Review: UK Resilience

The Secretary of State for Defence (Michael Fallon):
The strategic defence and security review (SDSR) 2015 set out the need to strengthen the armed forces contribution to UK resilience. To maximise the size of the force available to deliver this task, the Chief of the General Staff has today announced that the Army will in future plan to use regular and reserve phase 1 trained personnel in response to crises within the UK.

This change will increase the utility and the size of force available in the event of a national emergency. It will result in Army personnel contributing more, and earlier in their careers, and therefore feeling more motivated and more valued. For the Regular Army, this will mean the potential deployment of sub-units from training establishments led by their instructors; for reserves it will mean that they are able to participate in training and UK deployments with their units at an earlier stage than previously. To prepare for this, all Regular and reserve Army personnel will now complete the military annual training tests, which qualify them to assist in UK resilience tasks, during phase 1 training.

Planning routinely to use Army phase 1 trained personnel to provide additional support to UK resilience tasks such as flood response, or to backfill for others deployed on such tasks including responding to terrorist attacks, will increase the pool of trained and disciplined manpower available by around 3,000 to 5,000 regularly and 1,800 reserves.

To reflect this, the term “trained strength” will now include all armed forces personnel trained in the core function of their service. The Army will recognise the size of its additional available force by including personnel who have completed phase 1 training within the trained strength. This, however, will not change the manifesto commitment, confirmed in the SDSR, to a Regular Army of 82,000. This will result in the addition of around 1,800 reservists to the overall trained Army personnel: we will now also increase the target for trained Army reserves to 32,000 by 2025.

This change does not affect the progress made in developing reserves phase 2 training. Each of the phase 2 training establishments will continue to deliver reserve focused phase 2 (and phase 3) training.

Trained strength numbers for the Royal Navy and Royal Air Force remain unaffected, reflecting the requirement for their personnel to complete phase 2 to be able to fulfil the core function of their respective services. This would not preclude Royal Navy or Royal Air Force phase 1 trained personnel contributing in the support of a UK resilience task in extreme circumstances.

A public consultation will be launched in due course on the inclusion of the revised trained strength figures within the monthly service personnel statistics publication.

The revised Future Reserves 2020 strength growth profiles for the Army Reserve will be published following this consultation.

FOREIGN AND COMMONWEALTH OFFICE

Gifting of Equipment (Syria Civil Defence and Free Syrian Police)

The Secretary of State for Foreign and Commonwealth Affairs (Mr Philip Hammond): It is the normal practice when a Government Department proposes to make a gift of a value exceeding £300,000, for the Department concerned to present to the House of Commons a minute giving particulars of the gift and explaining the circumstances; and to refrain from making the gift until 14 parliamentary sitting days after the issue of the minute, except in cases of special urgency.

The Foreign and Commonwealth Office has today laid a departmental minute proposing the gifting of equipment to Syria Civil Defence and Free Syria Police teams.

The situation in Syria remains extremely fragile. An estimated 250,000 people have been killed since the war began five years ago, many of them innocent civilians. The Assad regime continues to use the most barbaric military methods and tactics available, including the use of indiscriminate artillery fire, chemical weapons and barrel bombs. The UK remains committed to doing all it can to promote a political settlement to end the conflict, to alleviate the humanitarian suffering, and to protect UK national security through countering terrorist and extremist threats.

In March 2015, I laid departmental minutes before the House and issued written statements setting out our plans to gift equipment to Syria Civil Defence and the Free Syrian Police teams operating in opposition-controlled areas of Syria. No objections were received to the gifts and the UK distributed the equipment to both sets of teams along with comprehensive training packages. Civil defence teams have now saved over 50,000 lives by rescuing civilians trapped in damaged buildings, fighting fires and providing emergency first aid. The Free Syrian Police continues its valuable work to keep traffic moving, prevent looting and to support the distribution of humanitarian aid. Other international donors have also contributed to both initiatives.

The UK intends to continue its support to these programmes by increasing their communications capability and mobility of the teams, providing more targeted operational equipment—whether for search and rescue, or tracing explosives—as well as build up the capacity of these organisations to deliver on the ground. The departmental minute laid today sets out our proposal to gift £4 million in equipment to Syria Civil Defence and £4 million in equipment to those operating within the Free Syrian Police. For Syria Civil Defence, the proposed list of equipment includes cutting and rescue tools, personal protective gear including helmets, uniforms, communications equipment, medical supplies, equipment for the disposal of unexploded ordinance, office supplies, vehicles and fire-fighting equipment. For the Free Syrian
Police, the proposed list of equipment includes vehicles, communications kit, traffic signs and cones, uniforms and generators. We expect to spend £23.5 million this financial year on both programmes of support in total through the Government’s Conflict, Stability and Security Fund (CSSF).

The use of CSSF funds to cover the costs of the gift has been approved by members of the Middle East and North Africa strategic programme board. The gift is being scrutinised to ensure that the provision of this equipment is consistent with export controls and complies with our international obligations. Recipients have been carefully selected to prevent equipment being given to those involved in extremist activities or human rights violations. The risk of diversion is still a real possibility, but we assess that the considerable benefit this equipment would bring to the moderate opposition in Syria greatly outweigh this risk, which we have plans in place to mitigate. There is constant monitoring of the situation on ground, and all equipment transfers are approved by Her Majesty’s Government immediately before delivery. All our assistance is carefully calibrated and legal, is aimed at alleviating human suffering and supporting moderate groups and is regularly monitored and evaluated.

The Treasury has approved the proposal in principle. If, during the period of 14 parliamentary sitting days beginning on the date on which the departmental minute was laid before the House of Commons, a Member signifies an objection by giving notice of a parliamentary question or a motion relating to the minute, or by otherwise raising the matter in the House, final approval of the gift will be withheld pending an examination of the objection.

[HCWS48]
Written Statements

Thursday 30 June 2016

CULTURE, MEDIA AND SPORT

Telecommunications Council

The Minister for Culture and the Digital Economy (Mr Edward Vaizey): The Telecommunications Council took place in Brussels on 26 May 2016. As is procedure, this statement sets out a formal record of that meeting. The UK’s Deputy Permanent Representative to the EU, Shan Morgan, represented the UK.

The first item was for agreement for a general approach on the proposal for a decision on the use of the 470-790 MHz frequency band in the Union (First reading—EM 5814/16 + ADD 1 and 2). The UK supported this general approach. There were no major interventions and the general approach was agreed by Council.

This item was followed by a debate on the EU electronic communications regulatory framework. The debate was informed by three questions from the presidency. The UK intervention was as per the pre-Council statement. Other member state interventions included Finland, Sweden, Romania and Latvia who generally agreed with the UK position on the importance of protecting national competence with respect to spectrum management, but that there should be better EU co-ordination. Some member states including Sweden, Poland and Lithuania, also highlighted the need for any new electronic communications framework to assist the rollout of broadband, especially in rural areas, by promoting competition. On the issue of increasing the scope of the framework to include over the top services (OTTs), many member states, including Finland, Ireland and Lithuania, were wary of widening the current scope to include OTTs. However, Germany and Spain wished to do so in order to create a “level playing field” for all comparable services. The Commission offered the view that the primary objective of the new framework should be further driving broadband rollout, especially ultrafast broadband.

This was followed by four items under AOB. The first two items were progress reports from the presidency on: a proposal for a directive of the European on the accessibility to public sector bodies’ websites (First reading—EM 16006/11); and measures to ensure a high common level of network and information security across the Union (NIS—First reading—EM 6342/13). This was followed by information from the Commission on developments on internet governance. Finally, the Slovakian delegation informed the Council of their concerns on developments on internet governance. Finally, the Slovakian delegation informed the Council of their priorities for their forthcoming presidency. There were no interventions on any of these items.

The agenda item on the role of platforms in the digital economy was withdrawn by the presidency shortly before Council took place.

Council then adjourned until the next meeting, due to be held on Friday 2 December 2016.

[HCWS55]
The UK was represented by officials at the high-level sport structured dialogue. This was opened, for the first time, to all delegations, rather than the usual presidency trio format. The sports movement was represented by IOC, EOC, FIFA and UEFA. The UK emphasised that strengthened dialogue was paramount to the integrity of the sports movement and drew parallels with the international sports integrity partnership announced at the Prime Minister’s recent summit. The UK also referred back to London 2012 Olympic games and the sports betting integrity forum which the UK established.

A joint declaration of intent on enhancing regular dialogue on topics of shared responsibilities regarding major sports events was signed by the Dutch presidency and the four representatives of the sports movement.

DEFENCE

Operation SHADER

The Secretary of State for Defence (Michael Fallon): In the counter-Daesh quarterly update to Parliament on 24 May 2016, I said that following the meeting of counter-Daesh coalition Defence Ministers in Stuttgart on 4 May, we were considering what further support the UK might offer to reinforce the global coalition.

I can confirm today that we will be sending around 50 additional trainers to the Al Asad airbase in Western Iraq to provide instruction on countering improvised explosive devices (c-IED), infantry skills and combat first aid. As well as the extra training personnel, the UK will also provide around 90 personnel to assist with guarding the airbase, and around 30 personnel to form a head quarter staff to help command the mission. In addition an engineering squadron will deploy for around six months to build necessary infrastructure to support the deployment.

This deployment will add to the significant contribution the UK is already making to the campaign, with over 1,100 personnel deployed to the region. Our strike aircraft have now conducted around 900 air strikes against Daesh targets in Iraq and Syria and our intelligence, surveillance and reconnaissance aircraft provide niche and highly valued capabilities. On the ground, as part of the coalition’s Building Partner Capacity (BPC) programme our forces have helped to train more than 18,000 members of the Iraqi security forces (ISF), including Kurdish forces, in Besmaya, Erbil and Taji. With coalition support, Iraqi forces are pushing Daesh back and reoccupying territory. Fallujah has now been liberated after suffering at the hands of Daesh since early 2014. As Iraqi forces continue to regain territory and begin preparatory operations to retake Mosul, it is important that the coalition continues to provide the support needed to allow them to make further progress.

The extra trainers will be working closely with US and Danish forces, who lead the BPC programme at Al Asad, providing training to the Iraqi army 7th Division, border guards and federal police from behind the wire in c-IED and basic infantry skills, and combat first aid. This will in turn help Iraqi forces consolidate recent military gains in Anbar province and the building of forces for operations around Mosul.

On 24 May 2016 I also set out our intention to provide the Kurdistan Regional Government of Iraq with a supply of ammunition to equip the Peshmerga. I am today laying a departmental minute concerning the gifting of ammunition to the Kurdistan Regional Government. This will enable the Peshmerga to defend themselves, protect citizens and continue to hold the front line against Daesh. The gifting package will consist of heavy machine gun ammunition for use with the weapons previously gifted by the UK, and sniper rifle ammunition. The total cost is approximately £1.4 million plus an estimated £4,100 in transport costs. Given the requirement to provide support to ongoing operations in northern Iraq, the departmental minute will lay for five sitting days from the date of this statement.

FOREIGN AND COMMONWEALTH OFFICE

Foreign and Commonwealth Office: Services

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (James Duddridge): FCO Services operates as a trading fund of the FCO. I have set the following performance targets for 2016-17:

- An in-year surplus before interest, tax and dividend.
- A return on capital employed of at least 7% (weighted average).
- A productivity ratio of at least 80%, measuring actual billable hours versus available billable hours.
- To deliver the efficiency savings of £12.1 million as reported over the corporate plan period.
- A customer satisfaction result of at least 80%.
- To provide an annual discretionary dividend to the FCO of at least £1.5 million.
- An overall improvement of 2% on the average 2015 index Your Say score for My Manager.
- Target 2016-17 = 65%

FCO Services will report to Parliament on its success against these targets through its annual report for 2016-17.

Foreign Affairs and General Affairs Councils June 2016

The Minister for Europe (Mr David Lidington): My right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs attended the Foreign Affairs Council on 20 June and I attended the General Affairs Council on 24 June. The Foreign Affairs Council was chaired by the High Representative of the European Union for Foreign Affairs and Security Policy, Federica Mogherini, and the General Affairs Council was chaired by the Dutch presidency. The meetings were held in Luxembourg.

FOREIGN AFFAIRS COUNCIL

A provisional report of the meeting and conclusions adopted can be found at: http://www.consilium.europa.eu/en/meetings/fac/2016/06/20/
In her introductory remarks, Ms. Mogherini highlighted the conclusions on Burma and business and human rights. Ministers signed the EU/East Africa economic partnership agreement.

**Arctic**

The UK welcomed the adoption of Council conclusions on the Arctic: the EU has an important role in helping to meet the challenges facing the region, focusing on those areas where it can add value, such as research, climate change and the environment.

**The Sahel**

Ms. Mogherini updated Ministers on her recent discussions with G5 Sahel countries—Burkina Faso, Chad, Mali, Mauritania and Niger—and emphasised the importance of working in partnership with third countries to address shared challenges, particularly migration. Council conclusions were adopted which set out the importance of tackling the long-term drivers of instability and migration, as well as the need to continue to strengthen the capacity of local security forces.

**Macedonia**

Ministers discussed the longstanding political crisis in Macedonia. The Foreign Secretary expressed concern at the continuing crisis and supported renewed EU/US negotiations. Ms. Mogherini issued a statement after the Council ended, calling for the full implementation of the Przino agreement signed one year ago by the political parties, which included the creation of a special prosecutor to investigate allegations of abuse of power.

**Middle east peace process**

Ministers exchanged views on prospects for the middle east peace process, in the light of the upcoming Quartet report, and planned follow-up to the 3 June Paris conference. In spite of sobering developments on the ground, Ministers shared the view that the EU must remain proactive and engaged, and be ready to invest further political capital as soon as conditions allow.

**Georgia—visa liberalisation**

Ministers exchanged views on visa liberalisation in the context of EU-Georgia relations, pursuant to the proposal submitted by the Commission in March to exempt Georgian nationals from the requirement to obtain visas when travelling to Schengen countries for short stays. The UK is not part of the border and immigration aspects of Schengen so would not be affected by any changes to the relevant regulation 539/2001 pursuant to the Commission proposal.

**Libya /EUNAVFOR MED Operation Sophia**

The Council adopted the Council decision to extend and expand Operation Sophia’s mandate to boost the capability of the Libyan coastguard to help stem the flow of illegal migration and to combat arms trafficking. It is important that work to implement this decision starts as soon as possible. The UK will work with the Libyan authorities, regional countries, other EU member states and international organisations to achieve this. Operation Sophia has already saved almost 15,000 lives and destroyed over 120 smuggling vessels. Operation Sophia’s additional tasking will build the Libyan Coastguard’s ability to tackle migration and limit Daesh terrorists’ freedom of movement.

Under any other business, the German Foreign Minister updated the Council on the German chairmanship of the OSCE. He set out his plan to visit Nagorno Karabakh in late June to encourage both sides to continue a sustained dialogue.

Ministers agreed without discussion a number of measures:

- The Council adopted conclusions on the middle east peace process.
- The Council adopted conclusions on Myanmar/Burma.
- The Council adopted conclusions on business and human rights.
- The Council adopted conclusions on child labour.
- The Council approved the signature and provisional application of the economic agreement between the EU and East African Community (EAC) partner states.
- The Council approved the EU annual report on human rights and democracy in the world in 2015.
- The Council adopted the EU’s common position in view of the third meeting of the Stabilisation and Association Council with Serbia, which took place in Brussels on 22 June 2016.

**General Affairs Council**

A provisional report of the meeting and conclusions adopted can be found at:


The General Affairs Council on 24 June, in Luxembourg, discussed the outcome of the UK referendum, prepared the June European Council conclusions, and discussed implementation of specific aspects of the inter-institutional agreement (IIA), including the Commission’s Work programme for 2017.

Slovakia also presented its priority work programme for its upcoming presidency of the Council of the EU.

**June European Council**

The Council discussed the draft conclusions ahead of the European Council on 28-29 June. The European Council is due to focus on migration, economic matters, external relations and the outcome of the UK referendum.

**European semester**

As part of the European semester process, the Council approved the draft country-specific recommendations which will be endorsed at the European Council on 28-29 June. The recommendations were also approved at the Economic and Financial Council (ECOFIN) and the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO).

**Inter-institutional agreement (IIA)—Better law making and transparency**

As part of the IIA process, the Council discussed the legislative priorities for 2017, in particular transparency aspects of the IIA and the Commission’s Work programme for 2017, which the Commission will present to the Council in November 2016.
NORTHERN IRELAND

Northern Ireland Security

The Secretary of State for Northern Ireland (Mrs Theresa Villiers): This is the ninth statement on the security situation in Northern Ireland and the second statement to this Parliament. It covers the threat from Northern Ireland-related terrorism, rather than from international terrorism, which Members will be aware is the responsibility of my right hon. Friend the Home Secretary, who updates the House separately.

In the six months since my statement on Northern Ireland’s security situation, the same, relatively small and fractured, violent dissident republican groupings have persisted with their campaign of violence. Their activities are against the democratically expressed wishes of the people in Northern Ireland. They continue to seek relevance and inflict harm on a society that overwhelmingly rejects them. Their support is very limited. Northern Ireland’s future will only be determined by democracy and consent. The Police Service of Northern Ireland (PSNI) and MI5 work diligently to limit the threat these groups are able to pose. Because of these efforts the vast majority of Northern Ireland’s population are able to go about their daily lives untroubled by terrorism.

The terrorist threat level in Northern Ireland from Northern Ireland related terrorism remains “Severe” (an attack is highly likely) and the need for vigilance continues. Violent dissident republicans retain access to a wide variety of terrorist material including firearms, ammunition and improvised explosive devices and remain committed to an agenda of violence.

The Police Service of Northern Ireland, MI5 and their security partners continue to work tirelessly to counter the threat, often placing themselves at significant risk in order to keep people safe. Countless attacks are prevented in their early stages. So far this year, the PSNI have recovered terrorist items including firearms, ammunition and bomb-making equipment. There have been 59 arrests, of which, eight individuals have been charged for terrorist-related offences.

The lethal nature of the threat posed by terrorist groupings was demonstrated in March when prison officer Adrian Ismay died as a consequence of injuries he sustained when an improvised explosive device functioned under his vehicle as he left his Belfast home for work. Adrian Ismay’s death is first and foremost a tragedy for his family and friends. But it also serves as a stark reminder of the ongoing risks faced by prison officers, police officers and members of the armed forces, some of whom have been very fortunate to escape injury in other terrorist attacks, both on and off duty.

Violent dissident republicans continue to try to injure and murder PSNI officers, prison officers and members of the armed forces. The main focus of dissident republican violence continues to be in Northern Ireland. However, on 1 May, the Home Secretary announced that MI5 had increased their assessment of the threat level in Great Britain from Northern Ireland-related terrorism from “Moderate” (an attack is possible but not likely) to “Substantial” (an attack is a strong possibility).

Violent dissident republicans have long aspired to carry out attacks in Great Britain to perpetuate their ongoing campaign of violence, and as a way to gain publicity for their wholly unjustifiable acts.

Republican and loyalist paramilitary organisations also regularly conduct brutal criminal assaults in an attempt to exert control over their communities. Between January and May of this year, there were 27 paramilitary-style attacks, three of which were fatal. It is unacceptable in Northern Ireland that there are still people who believe they are above the law. They are not and the PSNI is determined to pursue them and bring them to justice.

Our strategic response

Tackling terrorism, including Northern Ireland-related terrorism, is the highest priority for this Government. This Government’s first duty is to keep people safe and secure right across the United Kingdom. We are absolutely committed to ensuring that our security agencies, the police and others are equipped to deal with any threat we might face.

The strategic defence and security review made clear that we will maintain our investment in capabilities to keep the people of Northern Ireland safe. Over this Parliament, we will provide PSNI with £160 million of additional security funding to tackle the threat in Northern Ireland. Cross-Government spending on counter-terrorism as a whole will increase by 30% in real terms over this Parliament.

In the Republic of Ireland, An Garda Síochána (AGS) continue to play a significant role in countering the terrorist threat, having effected seizures of substantial amounts of explosives, ammunition and firearms. Joint working between PSNI, MI5 and the Garda remains crucial in the investigation and disruption of the violent dissident republican threat.

Tackling ongoing paramilitary activity

There was never any justification for paramilitary groups in Northern Ireland, and there is none today. This is a central theme of the Fresh Start agreement of November 2015 between the UK Government, Northern Ireland’s main political parties and the Irish Government. It contains commitments to deal in a broadly based way with paramilitarism in Northern Ireland.

The independent panel report on the disbandment of paramilitary groups in Northern Ireland has shown there are individuals who use the real and perceived remnants of paramilitary structures to engage in serious criminality and violence, which can have a devastating effect on communities. In addition the assessment of paramilitary groups in Northern Ireland, which was commissioned by the UK Government last autumn, judged that individual members of paramilitary groups with a legacy of violent activity, are engaged in organised crime and still represent a threat to national security.

A joint agency task force has been set up to enhance existing efforts to tackle cross-jurisdictional organised crime and the Executive is developing an action plan to tackle paramilitary activity, in response to the recent recommendations made by the panel. By the end of 2016, we also intend to establish an independent reporting commission which will report on progress to tackle ongoing paramilitary activity.
Conclusion
The “Severe” level of threat in Northern Ireland from violent dissident republicans will continue in the near future, and further potentially lethal attacks are highly likely. However, the PSNI, MI5 and An Garda Siochana will continue their outstanding work, exerting every effort to disrupt attacks and prosecute those responsible. I would like to thank them all for the work they do. Under this Government there will be no let-up in our efforts to ensure that terrorism never succeeds. [HCWS52]

TRANSPORT

Crossrail: Annual Update

The Parliamentary Under-Secretary of State for Transport (Claire Perry): On Tuesday 23 February 2016, Her Majesty The Queen visited the under-construction Crossrail station at Bond Street where it was announced that the new railway will be known as the Elizabeth line in her honour. The renaming, which will take effect when central London services commence in December 2018, is in recognition and celebration of Her Majesty The Queen’s 64 years as the longest-reigning British monarch.

In the past year we have made great progress in many different areas of the project. The project is now approaching 75% complete with work well under way on planning for and delivering an operational railway. In the central tunnel section, the first 13 km of track has now been laid, approaching 70% of platforms have been completed, 77% of platform edge screens have been constructed and the opening of the temporary ticket hall at Whitechapel has been achieved.

At the end of May 2015, TfL rail services commenced between Shenfield and Liverpool Street. MTR Crossrail has been operating the service since then as a precursor to full services commencing with the new Bombardier rolling stock, progressively from May 2017. Performance has improved, with MTR Crossrail and Network Rail being awarded the transport team partnership of the year at the London transport awards.

Practical completion of Canary Wharf station was achieved on 7 September 2015, the first station contract to do so, four months ahead of schedule. Work began six and a half years ago on this project, with Canary Wharf Group contributing £150 million.

In November 2015, Transport for London released details of the train designs which will carry Elizabeth line passengers along the future route. The rolling stock, which is being manufactured and assembled at Bombardier’s plant in Derby, will each provide space for 1,500 customers and will ensure that the future capacity of the central London rail network will increase by 10%. The carriages of the first train have now been built and are being tested for use in Bombardier’s “V” shop testing and commissioning facility which was recently opened by the Secretary of State for Transport.

Major surface works being delivered by Network Rail on the existing rail network continue apace and are now approximately 65% complete, with a number of key milestones reached. Christmas 2015 and Easter 2016, as well as two bank holidays in May 2016, saw Network Rail successfully deliver Crossrail project works as part of some of the largest investment programmes ever undertaken on the national network, without overrun.

In addition, station designs at West Ealing and Southall stations have been approved; the civil engineering work at Acton dive-under and Stockley flyover is approaching completion; and construction is well under way to rebuild Abbey Wood station. On the north eastern section of the route, improvement work is well under way at all 13 stations.

I am delighted to report that 573 apprenticeships have now been created. This goes alongside over 1,000 work experience opportunities and over 12,000 enrolments on courses at the Crossrail Tunnelling and Underground Construction Academy, which opened in 2012.

The Crossrail Board continues to forecast that the costs of constructing Crossrail will be within the agreed funding limits and that it will be completed on schedule. We still expect Crossrail to cost no more than £14.5 billion (excluding rolling stock costs). This is despite cost pressures across the project. However, these continue to be managed and Crossrail Ltd is implementing initiatives to deliver cost efficiencies during the remainder of the programme. Crossrail’s joint sponsors will continue to meet regularly with Crossrail Ltd to ensure that the project is being successfully managed and will be delivered within budget and on schedule.

During the passage of the Crossrail Bill through Parliament, a commitment was given that a statement would be published at least every 12 months until the completion of the construction of Crossrail, setting out information about the project’s funding and finances.

In line with this commitment, this statement comes within 12 months of the last one which was published on 2 July 2015. The relevant information is as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Total funding amounts provided to Crossrail Ltd by £10,002,888,670</td>
<td>£10,002,888,670</td>
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<tr>
<td>the Department for Transport and TfL in relation to the construction of Crossrail to the end of the period (22 July 2008-29 May 2016)</td>
<td></td>
</tr>
<tr>
<td>Expenditure incurred (including committed land and £1,599,948,000 property spend not yet paid out) by Crossrail Ltd in relation to the construction of Crossrail in the period (30 May 2015 to 29 May 2016) (excluding recoverable VAT on land and property purchases)</td>
<td>£1,599,948,000</td>
</tr>
<tr>
<td>Total expenditure incurred (including committed land and property spend not yet paid out) by Crossrail Ltd in relation to the construction of Crossrail to the end of the period (22 July 2008 to 29 May 2016) (excluding recoverable VAT on land and property purchases)</td>
<td>£2,50,507,000</td>
</tr>
</tbody>
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The Amounts realised by the disposal of any land or property for the purposes of the construction of Crossrail by the Secretary of State, TfL or Crossrail Ltd in the period covered by the statement. Nil

Note
Construction figures as of 29 May 2016. The total funding amounts provided to CRL by the Department of Transport and Transport for London refers to the expenditure drawn down from the sponsor funding account in the period 22 July 2008 and 29 May 2016. Included within the amount is £1,376,331,092 of interim funding provided to Crossrail Ltd in relation to the construction of Crossrail in the period (22 July 2008-29 May 2016). Included within the amount is £1,376,331,092 of interim funding that has been provided to Network Rail to finance the delivery of the on network works between 1 April 2009 and 29 May 2016. This amount is due to be repaid to CRL by 30 September 2017.

The numbers above are drawn from Crossrail Ltd’s books of account and have been prepared on a consistent basis with the update provided last year. The figure for expenditure incurred includes monies already paid out in relevant periods, including committed land and property expenditure where this has not yet been paid. It does not include future expenditure on construction contracts that have been awarded.

[HCWS51]
Written Statement

Monday 4 July 2016

EDUCATION

Children’s Social Care

The Minister for Children and Families (Edward Timpson):

Today the Government are publishing “Putting Children First: delivering our vision for excellent children’s social care”, a policy paper which sets out our programme of reform to children’s social care for the next four years.

Children’s social care services have an essential and life changing role to play in transforming the life chances of our most vulnerable children and families, stepping in to provide support so that children can stay with their birth family wherever possible. Where this cannot happen, difficult decisions often have to be made to put in place alternative arrangements that are in the best interests of the child, ensuring they have safe, stable and nurturing relationships, whether through adoption, foster care, residential care or family and friends’ care.

In January, we set out our ambitious vision and our reform programme for children’s social care, structured around three key areas:

People and leadership, bringing the best people into the profession, equipping them with the right knowledge and skills for the incredibly challenging but hugely rewarding work we expect them to do, and developing leaders equipped to nurture practice excellence.

Practice and systems, creating the right environment for excellent practice and innovation to flourish and creating a learning culture, drawing on both best practice and the lessons when things go wrong.

Governance and accountability, making sure that what we are doing is working, using data to show the strengths and weaknesses in the system, and developing innovative new organisational models with the potential to radically improve services.

“Putting Children First” sets out—against each of these three pillars—how we will create the conditions to enable Government, local authorities and their local partners, social workers and other professionals such as foster carers to provide consistently excellent children’s social care, where the best interests and voice of the child are at the heart of decision-making, and to enable excellence to flourish and spread.

By 2020 we want all vulnerable children, no matter where they live, to receive the same high quality of care and support. The best outcome for every child will be central to every decision that is made.

Also published today is an independent report on children’s residential care by Sir Martin Narey, former Chief Executive of Barnardo’s and independent social care adviser to the Department for Education.

Sir Martin is clear that, despite challenges, the quality of care provided in homes is generally high and that there is an important ongoing role for residential care as an option for looked after children. We support Sir Martin’s positive vision for the future role of residential care, and are very grateful for his report. The Government accept his analysis and findings and welcome the recommendations he makes. We will be responding more fully to his recommendations in the autumn. However, some immediate actions are clear and we will take them forward now, including:

- Introducing a specific funding stream as part of the children’s social care innovation programme to test innovative ideas for using residential care in a more dynamic and creative way to support those children who can benefit; and
- Developing a staying close programme for those leaving residential care, an alternative to the staying put arrangements which already exist for children in foster care. We will use the innovation programme to pilot possible models of staying close.

Copies of “Putting Children First” and Sir Martin’s report will be placed in both House Libraries.

[HCWS57]
Written Statement

Tuesday 5 July 2016

PRIME MINISTER

Intelligence and Security Committee: Annual Report

The Prime Minister (Mr David Cameron): The Intelligence and Security Committee of Parliament (ISC) has today laid before Parliament its annual report for 2015-16. I am grateful to the ISC for its report and for the work that has gone into it.

[HCWS58]
Written Statements

Wednesday 6 July 2016

EDUCATION

School Teachers’ Review Body: Twenty-Sixth Report

The Secretary of State for Education (Nicky Morgan):
The 26th report of the School Teachers’ Review Body (STRB) is being published today. Its recommendations cover the remit that I issued in October 2015. The report contains recommendations on how to apply the pay award for teachers that is due to be implemented from September 2016. Copies of the STRB’s 26th report are available in the Vote Office, the Printed Paper Office and the Libraries of the House, and online at: www.gov.uk.

The STRB has recommended a 1% uplift from September 2016 to the minima and the maxima of all classroom teacher and leadership pay ranges in the national pay framework, and to classroom teacher allowances (Teaching and Learning Responsibility (TLR) payments and Special Educational Needs (SEN) allowances). It has also recommended the school teachers’ pay and conditions document (STPCD) be amended to make clear that schools can use a salary advance scheme for rental deposits as part of the existing recruitment and retention incentives and benefits. In addition, it has recommended that my Department should develop good practice guidance to help schools make effective use of their existing flexibility to tailor pay policies to meet local recruitment and retention needs in a competitive labour market. A full list of the recommendations is attached as an annex.

My officials will write to all of the statutory consultees of the STRB to invite them to contribute to a consultation on my acceptance of these recommendations. The consultation will last for four weeks.

I am grateful to the STRB for these recommendations and, subject to the views of consultees, I intend to accept all the key recommendations.

My detailed response contains further information on these matters.

FOREIGN AND COMMONWEALTH OFFICE

2014 NATO Wales Summit

The Minister for Europe (Mr David Lidington): Today the Minister of State for Policing, Fire, Criminal Justice and Victims, my right hon. Friend the Member for Hemel Hempstead (Mike Penning), and I have put on www.gov.uk the costs of hosting the 2014 NATO Wales summit.

Summit Achievements

The 2014 NATO summit was a significant international event, which saw one of the largest gatherings of world leaders ever held in the UK. The summit achieved all major UK policy objectives with the UK playing a significant role in developing the summit conclusions and brokering agreement among allies.

The commitments agreed by all 28 NATO Heads of Government will contribute to our national security, strengthening NATO as the cornerstone of UK defence. Allies agreed to halt any decline in defence investment and aimed to attain 2% of GDP spend on defence within a decade. Allies also agreed on a new rapid reaction capability to enhance NATO’s ability to respond to any threat. New initiatives were also launched to modernise NATO and ensure the alliance is fit for purpose to counter 21st-century threats, including in the hybrid warfare and cyber areas.

The hard work and dedication of the police officers deployed during the substantial operation to secure the event, which was delivered under budget, ensured the safety and security of local residents and all delegates.

HEALTH

Data Security, Consent and Opt-out Reviews

The Parliamentary Under-Secretary of State for Life Sciences (George Freeman): Today, two independent reviews have been published which make recommendations about data security in the health and care system in England and a new consent and opt-out model for data sharing.

In September 2015, I commissioned the Care Quality Commission (CQC) to undertake a review of data security in the NHS and, in parallel, commissioned Dame Fiona Caldicott, the National Data Guardian for Health and Care (NDG), to undertake an independent review of data security and consent, with the purpose of:

- Developing new data security standards;
- Devising a method of testing compliance with the new standards; and
- Proposing a new consent/opt-out model for data sharing in health and social care.

Both independent reviews have now completed, and the full reports are attached.

Healthcare, like all areas of modern life, is rapidly going digital. New technology and innovative approaches to the delivery of health and care have already driven significant progress, resulting in more people surviving the devastating effects of life-threatening and debilitating illnesses. If we are to deliver on our ambition to deliver the safest, most efficient healthcare possible for NHS patients, we must make the most of this digital information revolution, moving away from reliance on paper record keeping towards a 21st century, fully digital NHS, in which GP, pharmacy and hospital records, as well as diagnosis and condition monitoring are all based on digital platforms.

As the health and social care system becomes increasingly paperless and digital it also becomes ever more important that there are adequate and robust protections in place to protect the data and information held within it. All health and care organisations that handle sensitive
information should be working towards giving patients the highest levels of trust and confidence and reducing the risk of external threats and potential breaches. It is vital that we do all that we can to ensure that health and care staff have access to the safeguards, knowledge and capability to handle such information securely.

The technological revolution in health and care has benefited individuals, their families, friends and the country at large. But it would not have happened without a significant change in the availability and quality of digital health and care data and greater innovation in how that information is used. To achieve our ambition of a fully digital NHS, it is vital that the public trust health and care staff to keep their personal data safe and secure.

Dame Fiona’s review found that, broadly, the public does trust the NHS with confidential data. However, we cannot be complacent. That is why we want to do more to realise the benefits that come from sharing information safely and consistently across the health and care system where there is a legitimate reason for doing so. For example, by giving patients more access to, and control over, the use of their personal confidential information, by improving the way that the NHS uses information to check the quality of care, or by researchers being able to use data to improve treatment and care.

Dame Fiona Caldicott has proposed 10 security standards to be applied in every health and care organisation that handles personal confidential information. These include measures which will protect systems against data breaches, ensuring that NHS leadership takes ownership and responsibility for data security and ensuring that organisations are as prepared as they can be to meet the challenges of the digital age. Dame Fiona has also emphasised the vital importance of data sharing and is proposing a new consent and opt-out model, which will give people a less complex choice about how their personal confidential information is used.

I am grateful to Dame Fiona and the CQC for their work on this important agenda. I am today publishing a consultation on two main aspects of Dame Fiona’s independent review, namely the new data security standards and proposed consent and opt-out model. It is vital that a full consultation and dialogue with the public and professionals takes place before any implementation of the recommendations can take place.

I am also publishing today the Government response to the consultation carried out late last year into the role of the National Data Guardian for Health and Care. The response sets out the Government’s key decisions in relation to the proposed functions for the role, and we remain committed to placing the role on a statutory footing at the next available opportunity.

In her review, Dame Fiona emphasises the importance of protecting anonymised data to give the public the assurances they need that they will not be re-identified. I can confirm today that the Government are supportive of the introduction of stronger criminal sanctions against those who use anonymised data to re-identify individuals.

On data security, both reviews highlight the importance of removing outdated IT systems. We are working with suppliers, including Microsoft, to help health and care organisations update their systems to make sure they are safe to use and store data. The Health and Social Care Information Centre will launch an initiative to support this work later this year.

The National Data Guardian review also recommends that the Government consider the future of the care-data programme, as the consent and opt-out model proposed by the review goes further than the approach that was planned for care-data and its pathfinder areas.

In light of Dame Fiona’s recommendations, NHS England has taken the decision to close the care-data programme. However, the Government and the health and care system remain absolutely committed to realising the benefits of sharing information, as an essential part of improving outcomes for patients. Therefore this work will now be overseen by the National Information Board, in close collaboration with the primary care community, in order to retain public confidence and to drive better care for patients.

It is also available online at: www.parliament.uk/writtenstatements.

[HCWS62]

HOME DEPARTMENT

Police Remuneration

The Secretary of State for the Home Department (Mrs Theresa May): The second annual report of the Police Remuneration Review Body was published today (CM 9296). In line with my letter setting the body’s remit, it has made recommendations on pay and allowances for police officers up to and including the rank of chief superintendent in England, Wales and Northern Ireland. In addition, the supplement to the 2016 report of the Senior Salaries Review Body (SSRB) making recommendations on the pay of chief police officers has also been published today (CM 9282). I have considered the recommendations of both reports in so far as they relate to police officers in England and Wales.

I wish to express my thanks to the chairmen and members of both review bodies for their work on these reports.

I have accepted the recommendations in full. These will be implemented with effect from 1 September 2016.

The Police Remuneration Review Body report and the supplement to the Senior Salaries Review Body report have been laid before Parliament and copies are available in the Vote Office and on gov.uk.

[HCWS61]
Written Statements

Thursday 7 July 2016

TREASURY

Infrastructure (Financial Assistance) Act 2012:
Annual Report

The Chief Secretary to the Treasury (Greg Hands):
The Annual Report to Parliament under the Infrastructure
(Financial Assistance) Act 2012 for the period 1 April
2015 to 31 March 2016 has today been laid before
Parliament.

The report is prepared in line with the requirements
set out in the Infrastructure (Financial Assistance) Act
2012 that the Government report annually to Parliament
on the financial assistance given under the act.

UK Debt Management Office: Business Plan

Harriett Baldwin: The United Kingdom Debt
Management Office (DMO) has today published its
business plan for the year 2016-17. Copies have been
deposited in the Libraries of both Houses and are
available on the DMO's website: www.dmo.gov.uk.

UK-Turkmenistan Double Taxation Conventions

The Financial Secretary to the Treasury (Mr David
Gauke): A Double Taxation Convention with Turkmenistan
was signed on 10 June 2016. The text of the Convention
has been deposited in the Libraries of both Houses and made
available on HM Revenue and Customs’ pages of the
gov.uk website. The texts will be scheduled to draft
Orders in Council and laid before the House of Commons
in due course.

COMMUNITIES AND LOCAL GOVERNMENT

Neighbourhood Planning

The Minister for Housing and Planning (Brandon
Lewis): On 11 January 2016, I extended for a period of
six months the criteria for consideration of the recovery
of planning appeals to include proposals for residential
development over 10 units in areas where a qualifying
body has submitted a neighbourhood plan proposal to
the local planning authority or where a neighbourhood
plan has been made (Hansard HCWS457).

I am now extending that period for a further six
months from today but, in the light of the experience
which has now accrued on neighbourhood planning, I
intend to limit the criteria to include proposals for
residential development of more than 25 units in areas
where a qualifying body has submitted a neighbourhood
plan to the local authority but the relevant plan has not
yet been made. This change to the criteria would not
however preclude Ministers from exercising their discretion
to recover any other appeal which fell outside these
parameters if they considered, it appropriate under any
of the criteria set out in the written ministerial statement
made by Mr. Parmjit Dhanda on Monday 30 June
2008, Official Report, column 41WS.

DEFENCE

Submarine Dismantling Project

The Minister for Defence Procurement (Mr Philip
Dunne): Today I am announcing that Capenhurst Nuclear
Services (CNS), at Capenhurst in Cheshire, has been selected
as the MOD’s site for interim storage of the intermediate-
level radioactive waste (ILW) from decommissioned
nuclear-powered submarines prior to disposal. AWE
Aldermaston in Berkshire has been identified as a
contingency site.

CNS will have the capability to store this ILW until it
can be disposed of in a geological disposal facility,
some time after 2040.

Like all the sites shortlisted, the operator CNS already
manage radioactive materials, and were found to meet
the submarine dismantling project’s requirements best,
including value for money.

There are two options at CNS to store ILW. The
option that MOD will be taking forward is to use an
existing facility, with a second on-site contingency option
of constructing a new store.

As put forward during the public consultation, we
have also selected a contingency site. Should both
Caphurst options prove unsuitable, AWE Aldermaston
will then be taken forward as the MOD’s preferred
contingency site.

As a responsible nuclear operator the MOD takes
seriously its duty to manage the submarine fleet throughout
their operational service and during the disposal process.
Today’s announcement reiterates my commitment that
this activity will be undertaken in a safe, secure, cost-effective
and environmentally sound manner.

United States Visiting Forces: Contingent Liability

The Parliamentary Under-Secretary of State for Defence
(Mark Lancaster): I have today laid before Parliament a
departmental minute to advise that the Ministry of
Defence has received approval from Her Majesty’s Treasury
to recognise a new contingent liability associated with
potential redundancy payments to civil servants currently
located at RAF Mildenhall, RAF Alconbury and RAF
Molesworth, which are scheduled for closure under the
United States Visiting Forces European Infrastructure
Consolidation review.

In January 2015 the United States Department of
Defence communicated their decision to withdraw from
RAF Molesworth and RAF Alconbury with the activities
undertaken there being consolidated at RAF Croughton.
Additionally, they also announced their withdrawal from RAF Mildenhall. Currently, US plans are not yet sufficiently mature to say definitively when these stations will close.

There are approximately 470 MOD civil servants employed at these three stations. While staff will be supported in seeking to secure alternative employment in the Civil Service it is likely that some civil servants will be made redundant. The responsibility for the provision of redundancy payments is split between the UK and the US. I can advise you that Her Majesty's Treasury have agreed a contingent liability of up to £6 million.

I can assure you that all MOD civil servants who are affected by these base closures will be managed in accordance with the MOD Civil Service terms and conditions and will be provided with advice and support to make decisions about their future.

[HCWS72]

ENERGY AND CLIMATE CHANGE

Office for Nuclear Regulation: Annual Report

The Secretary of State for Energy and Climate Change (Amber Rudd): Later today the annual report to Parliament setting out the use of the Secretary of State's powers exercised to the Office for Nuclear Regulation during the year, will be published. This is in accordance with Section 108(1) of the Energy Act 2013.

[HCWS65]

Committee on Climate Change: UK’s Carbon Budgets

The Minister of State, Department of Energy and Climate Change (Andrea Leadsom): I wish to inform the House that the Government are today laying the Committee on Climate Change’s (CCC) advice on the compatibility of UK onshore petroleum with meeting the UK’s carbon budgets, as well as the Government’s response to that advice[10]. These are being laid before Parliament in line with Section 49 of the Infrastructure Act 2015.

The CCC’s report mainly focuses on shale gas extraction. The Government welcome the CCC’s conclusion that shale gas is compatible with carbon budgets if certain conditions are met. We believe that our strong regulatory regime and determination to meet our carbon budgets mean those conditions can and will be met.

The Government are committed to exploring the UK’s shale gas potential while maintaining the very highest safety and environmental standards. We are confident that the existing regulators have the right powers and flexibility to ensure that emissions are minimised. We will of course continue to work with the Environment Agency, the Health and Safety Executive and the Oil and Gas Authority to ensure this continues to be the case as the new shale industry grows.

Exploring and developing our shale gas and oil resources could potentially bring substantial benefits and help meet our objectives for secure energy supplies, economic growth and lower carbon emissions. We therefore welcome that the CCC shares the Government’s view that shale gas could make a useful contribution to UK energy supplies.

We do not yet know the full scale of the UK’s shale resources nor how much can be extracted technically or economically. There is therefore a clear need to seize the opportunity now to determine the full potential for shale development in the UK and we support the industry’s work to bring forward exploratory wells.

Having access to clean, safe and secure supplies of natural gas for years to come is a key requirement if the UK is to successfully transition to a low-carbon economy. The UK was the first country to set legally binding carbon budgets, and this Government are fully committed to them, as shown by the announcement of the fifth carbon budget last week. We need gas—the cleanest fossil fuel—to support our climate change efforts by providing flexibility and helping us to reduce the use of high-carbon coal.

Section 49 of the Infrastructure Act requires the Secretary of State, when laying the CCC report before Parliament, to lay either regulations providing for the right to use deep-level land to cease to have effect, or a report explaining the reasoning for not doing so. The Government response explains why the Government believe that our strong regulatory regime will meet the conditions set out by the CCC, and therefore further regulations are not required. This meets the Government’s obligations under the Infrastructure Act. The Act requires a further report to be provided by the CCC in April 2021.


[HCWS66]

ENVIRONMENT, FOOD AND RURAL AFFAIRS

June Environment Council

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart): I attended the EU Environment Council in Luxembourg on 20 June along with my noble friend the Parliamentary Under-Secretary of State for Energy and Climate Change (Lord Bourne). Roseanna Cunningham MSP also attended.

I wish to update the House on the matters discussed.

EU emissions trading system (ETS)

The presidency introduced its progress report on negotiations to reform the EU ETS, framed in the context of the Paris climate agreement. The Commission saw carbon leakage rules as a priority and cautioned against over-burdening national authorities and industry. The Commission called for more ideas from industry on how best to use the innovation and modernisation funds, and supported a focus on addressing the surplus of allowances in the system rather than direct price regulation.

In the ensuing policy debate, all Ministers supported the presidency’s progress report and proposals for next steps. The UK focused on the need to balance the reducing number of free allowances with appropriate carbon leakage support, protection of the market stability reserve, strengthening of the carbon price, and reaching agreement on ETS alongside the effort share decision.
Paris ratification: presentation from the Commission and Council statement

The Commission briefly presented its proposal for a Council decision on EU ratification of the Paris agreement, published on 10 June. The presidency then invited Ministers to endorse a Council statement calling for ratification of the Paris agreement by the EU and its member states as soon as possible.

Following proposals from other member states, the presidency presented a compromise statement which included references to climate finance, and which the Council agreed by consensus.

National emissions ceilings directive: state of play

The presidency set out the state of play of the negotiations. The presidency was disappointed agreement had not yet been reached, but noted good progress was made in the four trilogue meetings which had taken place. On the key issues of 2030 limits, flexibilities and the nature of 2025 ceilings, the institutions were still some way apart. Despite this, the presidency believed a deal was close and had been in contact with the European Parliament with a view to arranging a fifth trilogue meeting. The Commission fully supported the presidency’s efforts.

The UK along with other member states encouraged the presidency to make another attempt at a first reading agreement by the end of June. However there was some difference in focus between member states in terms of ambition and the need for realistic and attainable targets. A significant number of member states expressed a clear preference for an agreement built on the most recent presidency mandate.

AOB: NOx emissions by diesel

The presidency reported on recent discussion at Transport Council. The Commission reiterated its view that the main issue was member state implementation of the Euro 5/6 regulations. It noted the progress made on the adoption of the real driving emissions (RDE) and worldwide harmonised light vehicles test procedure (WLTP) proposals. The Commission called on member states to accelerate negotiations on the type approval regulations. The Commission said it intended to provide further guidance on the implementation of the Euro 5/6 regulations by the end of the year, but added this had to be based on a transparent exchange of information gathered during national studies.

The UK underlined the urgent need to resolve the issue to ensure health benefits and for member states to fulfil their legal obligations.

AOB: endocrine disruptors

The Commission presented its recently adopted package on endocrine disruptors consisting of a communication and draft Commission acts setting out scientific criteria in the context of EU legislation on plant protection products and biocidal products.

Council conclusions on Closing the Loop: Circular Economy

The Council adopted by consensus conclusions which responded to the Commission communication on an EU action plan for the circular economy. The UK welcomed the conclusions and, in particular, the call for EU action on microbeads which was supported by several other member states.

FOREIGN AND COMMONWEALTH OFFICE

St Helena and Ascension Island: Child Safeguarding

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (James Duddridge): On 10 December 2015, Official Report, column 56WS, I informed the House that the UK Government had published a report by Sasha Wass QC on allegations surrounding child safeguarding issues on St Helena and Ascension Island. The report was independent and comprehensive, and I welcomed its conclusion that no evidence had been found of corruption or cover up in the St Helena police service, the St Helena and Ascension Island Governments, the FCO or DFID.

However, the report did find evidence of systemic failings by social services and police in the past. The report made a number of recommendations in relation to child safeguarding. The Government accepted all of its recommendations, and on 29 January 2016 the FCO appointed Ms Ginny Ferson to St Helena as UK Government special representative: Wass inquiry implementation. Ms Ferson went immediately to St Helena, visiting Ascension Island en route. She established good relationships with local Government officials, police and other stakeholders and worked alongside them on implementing the Wass inquiry recommendations. This included an analysis of previous reports commissioned by the FCO and DFID to determine which previous
recommendations remained outstanding but valid. Those recommendations that remained valid but outstanding have now been implemented.

To ensure full transparency, the St Helena and Ascension Island Governments collated the recommendations of the inquiry report into a risk-rated action plan which has been published on their respective Government websites. Ms Ferson’s report will be available on gov.uk.

Good progress has been made in implementing the recommendations of the inquiry report. The UK Government have increased the funding they provide to the St Helena Government for child safeguarding and for health and social care more generally, and improved co-ordinated efforts are bringing about real change. For example, Jamestown hospital is undergoing a £2.8 million refurbishment of its medical wing, due for completion by the end of July 2016. In addition, a funding uplift has enabled the rebuilding of a dedicated community nursing team and re-opening of three local health clinics. The safeguarding directorate and police service have rolled out a locally adapted version of “Working Together 2015” based on the UK model. The Ascension Island Government have done likewise. All schools now have a designated child safeguarding lead. Most recommendations have been fully implemented, others are on course to being completed. One relating to secondments to a UK police investigations team will be implemented as soon as staffing levels allow.

It is important that the improvements are sustainable and Ms Ferson includes advice on future-proofing in her report which we, alongside the St Helena and Ascension Island Governments, have taken on board.

We are determined to build on this work on child safeguarding across our territories. The FCO’s child safeguarding unit has promoted the recommendations of the inquiry report throughout the overseas territories to maintain focus on continuing to strengthen child safeguarding measures. We have intensified our work with key UK departments and bodies such as the National Crime Agency, Crown Prosecution Service and social work experts, to provide additional expertise to territory Governments on improving safeguarding measures across the board.

[HCWS77]

**JUSTICE**

**Cremations**

The Parliamentary Under-Secretary of State for Women and Equalities and Family Justice (Caroline Dinenage): Today the Government are publishing their response to the recent consultation on infant cremations, which sought views on proposals for a number of changes to the Cremation (England and Wales) Regulations 2008, and for improving other aspects of cremation practice.

Improving infant cremation legislation and practice has been a priority for me since I joined the Ministry of Justice last year. I am therefore very pleased to publish this document which sets out the changes we plan to make.

We consulted between December 2015 and March 2016 following consideration of David Jenkins’ report of June 2015 into infant cremations at Emstrey crematorium in Shropshire, and Lord Bonomy’s Scottish Infant Cremation Commission report of June 2014. These reports found that ashes were either not recovered following infant cremations, or were recovered but parents were neither consulted over what should happen to their babies’ ashes nor advised of the ashes’ final resting place.

Such practices caused parents already grieving the loss of their baby immense additional distress. Some parents will never know what happened to their babies’ ashes.

I have always made it clear that such practices should never happen again. It is my aim that the changes I am announcing today will ensure that no bereaved parent suffers in future as many have suffered in the past.

Following consideration of the responses to our consultation, we plan to make the following changes:

- Introduce a statutory definition of ashes.
- Amend statutory cremation forms to make sure that applicants’ wishes in relation to recovered ashes are explicit and clearly recorded before a cremation takes place.
- Where parents choose a cremation following a pregnancy loss of a foetus of less than 24 weeks’ gestation, we will bring such cremations into the scope of our regulations, like all other cremations. I must stress that we have no plans to alter parents’ current choices following a pre-24 week pregnancy loss, so parents will continue to be able to choose between cremation, burial and sensitive incineration or they can ask the hospital to make all arrangements on their behalf.
- Establish a national cremation working group of experts to advise us on a number of technical matters related to our proposed reforms, such as the detail of new regulations and forms, codes of practice and training for cremation authority staff, information for bereaved parents, and whether there should be an inspector of crematoria.

Copies of the consultation response document will be placed in the Libraries of both Houses. The response is also available at https://consult.justice.gov.uk/digital-communications/consultation-on-cremation.

[HCWS67]

**Judicial Conduct Investigations Office: Annual Report**

The Lord Chancellor and Secretary of State for Justice (Michael Gove): With the concurrence of the Lord Chief Justice, I will today publish the 10th annual report of the Judicial Conduct Investigations Office (JCIO), formerly known as the Office for Judicial Complaints. The JCIO provides support to the Lord Chief Justice and myself in our joint responsibility for the system of judicial complaints and discipline.

Over the past year the JCIO received 2,609 complaints and 662 written enquiries, with 43 complaints resulting in disciplinary action. A first substantive response was provided within 15 working days in 99% of all cases and regular monthly updates given to all parties in 98% of cases.

I have placed copies of the report into the Libraries of both Houses, the Vote Office and the Printed Paper Office. Copies of the report are also available on the internet at: http://judicialconduct.judiciary.gov.uk/publications.htm

[HCWS75]
The Parliamentary Under-Secretary of State for Women and Equalities and Family Justice (Caroline Dinenage):

My noble friend the Minister of State for Civil Justice (Lord Faulks QC) has made the following written statement.

The Government are committed to encouraging open and competitive markets. Well-functioning markets are key to the health of the economy and promote growth, innovation and efficiency. Competitive markets are also in the best interest of consumers, enabling consumer choice resulting in better and more affordable products and services.

The legal services market is not only an important contributor to the UK economy, but also to access to justice. The Government are committed to a strong, independent and competitive legal services market, which will promote consumer choice and quality services at lower prices, ensuring greater access to justice for all.

On 30 November the Government published, “A Better Deal: boosting competition to bring down bills for families and firms” which set out the Government’s approach to encouraging open and competitive markets, for the benefit of the UK economy and UK consumers. A key part of the Government’s approach is to ensure that the statutory frameworks underpinning regulatory regimes allow regulators to regulate in a way that is proportionate and promotes competition and innovation.

The “Better Deal” document included a pledge to consult on making changes to the regulatory framework for legal services to remove barriers to market entry, and regulatory burdens on, alternative business structures in legal services, and on making legal services regulators independent from professional representative bodies.

Today, I am publishing a consultation that seeks views on the first of these proposals. The Government intend to consider the detail and timing of a further consultation on regulatory independence, in the context of the preliminary findings of the Competition and Markets Authority study into the legal services market, which are due to be published shortly.

Since 2010, when alternative business structures were first licensed to provide legal services, over 600 ABS firms have entered the market. The introduction of ABS businesses, particularly those that have access to external investment and business and commercial expertise, has benefited the market more widely. Recent research has indicated that ABS firms are more likely to be innovative than other regulated legal services firms: https://research.legalservicesboard.org.uk/wp-content/media/Innovation-Report.pdf. These new, innovative providers have increased the variety of legal services in the market that are more accessible and affordable to consumers.

As a result of concerns raised at the time about the potential risks of these new and unknown business models, the legislative framework for the regulation of ABS businesses, set out in the Legal Services Act 2007, is more onerous and prescriptive than that for traditional law firms.

In practice, ABS businesses have not been shown to attract any greater regulatory risk than traditional law firms and the Legal Services Board and front-line regulators suggest that the current statutory requirements act as a deterrent and an unnecessary barrier to firms wanting to change their current business model to a more innovative one, as well as to new businesses considering entering the market.

The proposals set out in this consultation aim to enable legal services regulators to reduce regulatory burdens on ABS, while taking a more effective risk-based approach to regulation.

The Prime Minister (Mr David Cameron):

I have today laid before both Houses a copy of the latest annual report from the Chief Surveillance Commissioner and a copy of a report by the Interception of Communications Commissioner on his oversight of directions issued under section 94 of the Telecommunications Act 1984. Both reports provide rigorous and independent oversight and scrutiny of the use of covert investigatory powers.

The Chief Surveillance Commissioner, the right hon. the Lord Judge, was appointed in July 2015 to keep under review public authority use of covert surveillance, covert human intelligence sources and property interference powers. The Chief Surveillance Commissioner provides statutory oversight to ensure that public authorities use correctly and lawfully the relevant provisions of the Regulation of Investigatory Powers Act 2000, the Regulation of Investigatory Powers (Scotland) Act 2000 and the Police Act 1997. He heads the Office of Surveillance Commissioners (OSC) which supports him in the discharge of these statutory duties.

His annual report provides a detailed account of the way in which the OSC has provided this scrutiny, both through authorisation of deployments where prior approval of a Surveillance Commissioner is required by statute, and through a rigorous and comprehensive programme of inspections. The report also sets out the findings and conclusions that Lord Judge and his team have drawn from this process.

Covert surveillance powers are a critical tool for investigators dealing with terrorist and serious criminal activity, and the work of the OSC is essential to ensuring that there is public confidence in the way that such covert powers are used. I am pleased to note that the report finds the vast majority of public authorities are complying fully and conscientiously with the statutory requirements, and that the OSC are working actively to identify and address any issues that arise, and any cases that fall short of desired standards.

In February 2015 I directed the Interception of Communications Commissioner, the right hon. Sir Stanley Burnton, to oversee the use of directions given under section 94 of the Telecommunications Act 1984. The Commissioner has since carried out a comprehensive review of the use of section 94 directions, the extent of their use and the processes and policies that govern their use. I welcome the Commissioner’s support for the changes that we are seeking to make through the Investigatory Powers Bill which will replace the use of section 94 directions with a more comprehensive statutory regime for the acquisition of communications data in bulk or the issuing of a national security notice. Accompanying this new statutory regime will be codes of practice that will contain far greater detail and clarity around the policies, procedures and safeguards associated with the use of these powers.

I would like to thank both Commissioners, and the staff that work for them, for the continued diligence and rigour with which they undertake their oversight roles and commend these reports to the House.
HS2: South Yorkshire Update

The Secretary of State for Transport (Mr Patrick McLoughlin): Since the Government proposed that South Yorkshire should be served by a high speed station at Meadowhall in 2013, opinion among local stakeholders has remained divided. This has made the decision about where to best to locate an HS2 station in South Yorkshire very challenging. I would therefore like to thank Sir David Higgins, Chairman of HS2 Ltd, for the work he and HS2 Ltd have undertaken in re-appraising the options and welcome the report he has published today on this issue.

The report re-examines both the HS2 station location and route in South Yorkshire as well as alternative high speed city centre proposals at both Sheffield Midland station and the former Sheffield Victoria station.

There are two key recommendations:

That HS2 services should serve Sheffield Midland station in Sheffield city centre by running high speed ‘classic compatible’ trains into Sheffield via a dedicated link off the main high speed line. Under this proposition Sir David believes it would be possible to provide two trains per hour into Sheffield city centre and a new high speed service to Chesterfield.

That the high speed main line be moved further east, initially running parallel to the M18. Sir David suggests that this alignment not only avoids the complexities and risks associated with the Meadowhall route but also provides journey time savings to services heading to Leeds, York and Newcastle.

The report also notes that using the existing Sheffield Midland station for HS2 services opens up the possibility of running high speed trains from Sheffield to Leeds by building a link back onto the main HS2 line north of Sheffield. This link could deliver Transport for the North’s (TfN) ambition for a frequent 30-minute journey time between Leeds and Sheffield, and might also be used by Birmingham-Leeds HS2 services, allowing them to route through Sheffield. TfN are considering the Sheffield-Leeds corridor alongside other Northern Powerhouse rail schemes and I look forward to their advice on how the HS2 mainline can be utilised to help deliver their aspirations for fast and frequent city centre services across the north.

I appreciate that the recommendations set out by Sir David Higgins today will cause concern for those living along this newly proposed route and will also be unsettling for those living alongside the consulted route via Meadowhall. HS2 Ltd will now engage closely with these affected communities to provide them with the necessary support and information as quickly as possible. I would also like to reassure homeowners along both routes that they are eligible to apply to the Government’s exceptional hardship scheme from today.

Before I reach a decision about HS2 in South Yorkshire I will want to consider today’s report in detail. It is my intention to make an announcement on the HS2 Phase Two route, of which South Yorkshire is a part, later this year. Should I decide to adopt the report’s recommendations as my preferred option in South Yorkshire I will then hold a public consultation in order to allow local stakeholders and affected communities the opportunity to comment on the proposal, alongside a consultation on the property compensation and assistance schemes for the entire route.

[HCWS63]

WORK AND PENSIONS

Office for Nuclear Regulation: Annual Report

The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson): Later today the Office for Nuclear Regulation’s Annual Report and Accounts for 2015-2016 (HC 112) will be published. Having consulted the Secretary of State for Energy and Climate Change who is accountable for nuclear security and the Office for Nuclear Regulation, I can confirm, in accordance with Schedule 7, Section 25(3) of the Energy Act 2013, that there have been no exclusions to the published document on the grounds of national security.

[HCWS64]
Petitions

Monday 27 June 2016

OBSERVATIONS

EDUCATION

Children's Centre services in Corby

The petition of residents of Corby and the surrounding areas,

Declares that children in Corby statistically fair worse in education, income levels, life expectancy and health than children in many other parts of the UK; further that Children's Centres mitigate these challenges; further that many families in Corby depend upon the services provided by their local Children's Centre; further that Northamptonshire County Council is proposing to cut the budget of Corby's Children's Centre services by 25%; further that these additional funding cuts are unfair and indefensible; and further that an online petition on this matter has been signed by over 1,700 individuals.

The petitioners therefore request that the House of Commons urges the Government to encourage Northamptonshire County Council to stop their proposed funding cuts of 25% to the budget of Corby's Children's Centre services.

And the petitioners remain, etc.—[Presented by Tom Pursglove, Official Report, 04 May 2016; Vol. 609, c. 279.] [P001689]

Observations from The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah):

We have had to make difficult decisions since 2010, and all areas of Government—both central and local—have been asked to make efficiencies. What is important is that services are improving outcomes for the families that need help. Children’s survey of children’s centres suggests that over 1 million families are frequently accessing children’s centres in 2015 and this estimate is unchanged since first published in 2013.

Councils have a duty to ensure there are sufficient centres to meet local need, and are best placed to decide on provision in their communities. Local authorities have a duty to consult where changes are planned to local children's centre provision. Any local authority that closes down a children’s centre must demonstrate that they have devised ways to ensure that services continue—if not the buildings.

The Government’s role is to set a clear framework, which they have done. Funding for children’s services (including children’s centres) gives local authorities the flexibility to focus on locally determined priorities, and local authorities are making complex choices about how to target resources most effectively. It is right, and expected, therefore, that local authorities spend varying amounts on children’s services.

Ultimately, it is up the democratically elected local councils how they are making sure they provide necessary children’s services. The Chancellor of the Exchequer announced as part of the spending review that by the end of this Parliament, the local government sector will be able to retain 100% of local taxes to spend on local government services. This will put local government in control of their finances, allowing them to respond more efficiently to local need.

However, it is vital that every child, regardless of their background, is given the opportunity to realise their potential. Therefore, total Government spend on early years and childcare will increase from £5 billion in 2015-16 to over £6 billion by 2019-20. This includes funding for early years free entitlements, Tax-Free Childcare, Childcare Vouchers, Universal Credit and tax credits.

We want to see strong children’s centres services across the country, offering families access to a wide range of local, flexible services, tackling disadvantage. That is why we are considering our future policy on children’s centres as part of our life chances strategy due to be published in the summer 2016.

Development on the former Two Trees High School site, Denton

The petition of residents of Haughton Green and Denton,

Declares that the fields of the former Two Trees High School in Denton should be protected from unwanted development; and further that the site should be preserved for the benefit of the environment and future generations.

The petitioners therefore request that the House of Commons urges the Secretaries of State for Education and Communities and Local Government to protect Haughton Green and Denton’s open spaces, and prohibit unwanted development on the former site of Two Trees High School.

And the petitioners remain, etc.—[Presented by Andrew Gwynne, Official Report, 25 May 2016; Vol. 611, c. 649.]

Observations from The Minister for Schools (Mr Nick Gibb):

The development of any site would require planning permission. The planning process is largely a local matter and the Secretary of State for Education has no role—statutory or otherwise—in it.

I should also make it clear that planning Ministers would not intervene in, or even comment on, a particular planning situation, because their quasi-judicial role in the planning system imposes a strict duty of impartiality. It is for the local authority, in consultation with the local community, to propose policies for the local plan which it considers are right for the area; and then to decide planning applications in accord with the plan adopted and any other relevant consideration, such as policy in the National Planning Policy Framework.

In addition to the planning process, the Education Act 2011 requires that the Secretary of State must give consent prior to the disposal of land which has been used for any school or academy in the last eight years. A key consideration for the Government is whether the land proposed for disposal could be suitable for use by a new academy or free school.

School playing fields are also protected by Section 77 of the School Standards and Framework Act 1998. Schools and local authorities must obtain the Secretary of State’s approval before they can dispose of their
land. Applications to dispose of school playing fields are first considered by the school playing fields advisory panel, who make a recommendation to the Secretary of State, before she then makes her final decision.

At this time, we are not aware of an application by Tameside Metropolitan Borough Council to seek approval to dispose of the former Two Trees Sports College, including the playing fields. Should an application be submitted, the Secretary of State takes into account any groups or organisations with permission to use the playing fields and what suitable alternative provision they may have been offered. Local schools, which are deficient in playing field land, should also be offered the opportunity to use the playing field before any application is presented. She will also take into account local school place needs and any academy requirement.
COMMUNITIES AND LOCAL GOVERNMENT

Car parking facilities at Watermead Country Park, Leicester

The petition of residents of Leicester East.

Declares that additional car parking facilities for Watermead Country Park users are required urgently as during bank holidays and hot days the car park capacity for Watermead Country Park is insufficient for the number of visitors to the park; further that, once the car park is full, Watermead Country Park users park on Alderton Close; further that this blocks the residents’ drives and restricts the movement of cars entering and leaving the area as vehicles are backed up along the road; and further that local police have been called on numerous occasions to diffuse the situation between residents of Alderton Close and Watermead Country Park users.

The petitioners therefore request that the House of Commons urges the Government to encourage Leicester City Council to extend the parking facilities at Watermead Country Park in Leicester.

And the petitioners remain, etc.—[Presented by Keith Vaz, Official Report, 7 June 2016; Vol. 611, c. 1160.] [P001698]

Observations from the Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones):

The National Planning Policy Framework does not set maximum national parking standards. This reflects the Government’s belief that local authorities are best placed to take account of local circumstances and all other material considerations. It is for them to apply national planning policy to local situations and decide the level of parking that is appropriate in view of local circumstances, and the need to promote sustainable transport outcomes.

In March 2015, the Department for Communities and Local Government published new statutory guidance that ensures local residents and firms can petition to initiate a formal review of parking policies in their area by their council, with councillors then voting on the action to be taken. The full guidance can be found at: www.gov.uk/government/publications/right-to-challenge-parking-policies.

This statutory guidance is issued by the Secretary of State under Section 18 of the Traffic Management Act 2004. It applies to Local Traffic Authorities in England, which must have regard to this guidance when exercising their Network Management Duty under the Act.

CULTURE, MEDIA AND SPORT

Sports pitches at Shugborough Hall, Staffordshire

The petition of residents of the UK,

Declares that the sports pitches to the south of Shugborough Hall are well used and a valuable asset to local and area teams; further that the pitches have been part of a recreation site for decades; further that the proposals put forward by the National Trust to close the pitches in order to create parkland would have a negative impact on sports provision in Staffordshire and make it harder for local people to pursue a healthy and active lifestyle; further notes that these proposals have not been consulted upon; and further that a local petition on a similar matter has been signed by 1,000 individuals.

The petitioners therefore request that the House of Commons urges the Government to call on the National Trust to work with the local community to arrive at a compromise where the sports pitches at Shugborough Hall can continue to be used by local sports teams.

And the petitioners remain, etc.—[Presented by Jeremy Lefroy, Official Report, 20 April 2016; Vol. 608, c. 1030.] [P001685]

Observations from the Secretary of State for Culture, Media and Sport (Mr John Whittingdale):

The cross-Government sport strategy document, “Sporting Future, A New Strategy for an Active Nation” makes it clear that playing pitches and those facilities which make up the sporting infrastructure are of primary importance in increasing the number of people taking part in sport and physical activity.

National Trust is a charity independent from Government. I understand that by taking back the management of Shugborough, National Trust will save the local authority £35 million in costs. It will also guarantee the future opening and upkeep of the estate, as well as attracting more visitors to what is one of the few remaining complete working estates in the country.

In the long term it would be positive to restore the current estate at Shugborough Hall to its earlier position as eighteenth century parkland, for the benefit of visitors to this famous National Trust site. Like sport, visiting heritage sites also has a significant impact on wellbeing and life satisfaction. The wellbeing value of visiting heritage sites has been calculated as equivalent to £1,646 per person per year.

In the shorter term it may be better for those sports participants who will be affected by the closure of their pitches, to be able to continue to use the sports facilities until new playing fields can reasonably be secured. I understand that as things stand, there are currently no viable alternative facilities in place for the teams for next season.

I understand from the National Trust that it is still in talks with the local football and cricket teams involved and I very much hope that a solution will be arrived at which will allow the teams sufficient time to make alternative arrangements, so that they can continue to play their sports.

My officials will continue to monitor progress and to offer support as required.
Petition

Monday 4 July 2016

OBSERVATIONS

WORK AND PENSIONS

Child Support Agency

The petition of Mr Craig Bulman,

Declares that the petitioner received unacceptable treatment from the Child Support Agency (CSA); further that the petitioner incurred significant losses and damages including loss of job as result of this treatment; further that the CSA has admitted to acting in an inappropriate manner towards the petitioner and awarded a consolatory payment of £5,000 in April 2012; further that this payment does not suffice to cover loss of earnings or impact on the petitioner’s health and life; and further that the petitioner is unable to access legal aid or other legal assistance to challenge the value of this payment, which the petitioner believes is against his rights under Article 13 of the European Convention on Human Rights, Article 47 of the Charter of Fundamental Rights of the European Union and the Universal Declaration of Human Rights and is integral to upholding the rule of law.

The petitioner therefore requests that the House of Commons urges the Government to put pressure on the Child Support Agency to re-examine the case of Mr Bulman and award a much higher compensatory payment for the loss, harm, injury and damages caused as a result of their unacceptable treatment of the petitioner.

And the petitioner remains, etc.—[Presented by Mr Alan Campbell, Official Report, 27 April 2016; Vol. 608, c. 10P.]

Observations from the Secretary of State for Work and Pensions (Mr Iain Duncan Smith):

In January 2012 the Child Support Agency (the Agency) conducted a full review of Master Bulman’s child support case. It confirmed that an error had been made by including a War Disablement Pension in the child maintenance calculation. The Agency corrected the child maintenance calculations and the accounts to take into account any overcharge of child maintenance that had occurred due to this Departmental error. Despite the corrections Master Bulman still had outstanding arrears.

In March 2012 the Agency acknowledged that it had mal-administered Master Bulman’s case and an award of £5,000 was agreed as recognition of maladministration and the inconvenience that Master Bulman had suffered.

Treasury guidance provides public sector organisations with direction and guidance on the role of special payments in seeking to provide remedy for maladministration. Parliament makes no provision for special payments when voting money, nor has it put in place legislation governing special payments. As such there is no statutory framework for making such payments. Due to their exceptional nature, special payments are made on a discretionary, ‘ex gratia’ basis. This means that deciding whether to make a payment (in any case or situation) and if so, how much, is a matter of judgment.

As special payments are not covered by statute, customers have no right of appeal against either the amount of a special payment or a refusal to make one.
Ministerial Correction

Tuesday 28 June 2016

DEFENCE

Topical Questions

The following is an extract from Topical Questions to the Secretary of State for Defence on 27 June 2016.

T2. [905499] Mr David Hanson (Delyn) (Lab): Will the Minister undertake an urgent review of the awards of the Légion d'Honneur? I have many constituents who were awarded the Légion d'Honneur by the French authorities and who notified the Ministry of Defence more than a year ago, but have still not received their medals. Will the Minister look at that urgently?

Mark Lancaster: I am more than happy to do so. The right hon. Gentleman will be aware that there was a review. It is fair to say that the French authorities have simply been overwhelmed by the number of applications, but we have a system in place now whereby 200 are sent each week to the French. Of the original applications that were made, I understand that all have now been awarded.


Letter of correction from Mark Lancaster:

An error has been identified in the response I gave to the right hon. Member for Delyn (Mr Hanson) during Topical Questions to the Secretary of State for Defence.

The correct response should have been:

Mark Lancaster: I am more than happy to do so. The right hon. Gentleman will be aware that there was a review. It is fair to say that the French authorities have simply been overwhelmed by the number of applications, but we have a system in place now whereby 100 are sent each week to the French. Of the original applications that were made, I understand that all have now been awarded.
Ministerial Correction

Tuesday 5 July 2016

EDUCATION

Higher Education

The following is an extract from Oral Questions to the Secretary of State for Education on 28 June 2016.

Peter Kyle (Hove) (Lab): The University of Sussex down in Brighton gets £9 million of funding from the European Union. The leave campaign was very clear that that funding would be replaced by British Government funding after Brexit. Will the Minister get to his feet and guarantee that that funding will continue? If not, will he bring his brother down to Brighton to explain directly to students why the door of education is going to be slammed in their faces?

Joseph Johnson: This Government, more than any other, understand the importance of science funding. That is why we have protected science spending until the end of the Parliament—a decade of real-terms protection. Our universities and institutes can continue today to apply for EU competitive funding streams under Horizon 2020, and I am sure they will continue to be successful in the future.


Letter of correction from Joseph Johnson.

An error has been identified in the response I gave to the hon. Member for Hove (Peter Kyle) during Oral Questions to the Secretary of State for Education.

The correct response should have been:

Joseph Johnson: This Government, more than any other, understand the importance of science funding. That is why we have protected science spending until the end of the Parliament—a decade of protection. Our universities and institutes can continue today to apply for EU competitive funding streams under Horizon 2020, and I am sure they will continue to be successful in the future.
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